

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT



County of Dane
Wisconsin

FOR THE YEAR ENDED DECEMBER 31, 2003

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

Year Ended
December 31, 2003

CONTROLLER'S OFFICE

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

COUNTY OF DANE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2003

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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, 2004

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, 2003 is submitted herewith. This report was prepared by the Controller's Office.

MANAGEMENT REPRESENTATIONS

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

We believe the financial information, as presented:

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

SIGNIFICANT CHANGE IN PRESENTATION

The December 31, 2003 financial statements, conform to GASB Statement 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" The format and purpose of these changes are addressed in the Management's Discussion and Analysis section of this report. Additionally the notes to the financial statements discuss the change and reflect and explain the effects and results of these changes. We believe this new presentation will provide better information to the users of the CAFR.

REPORT ORGANIZATION

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

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

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 is included within the County's financial report because of various factors including financial dependencies and powers of appointment or removal of officers.

ECONOMIC CONDITION AND OUTLOOK

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

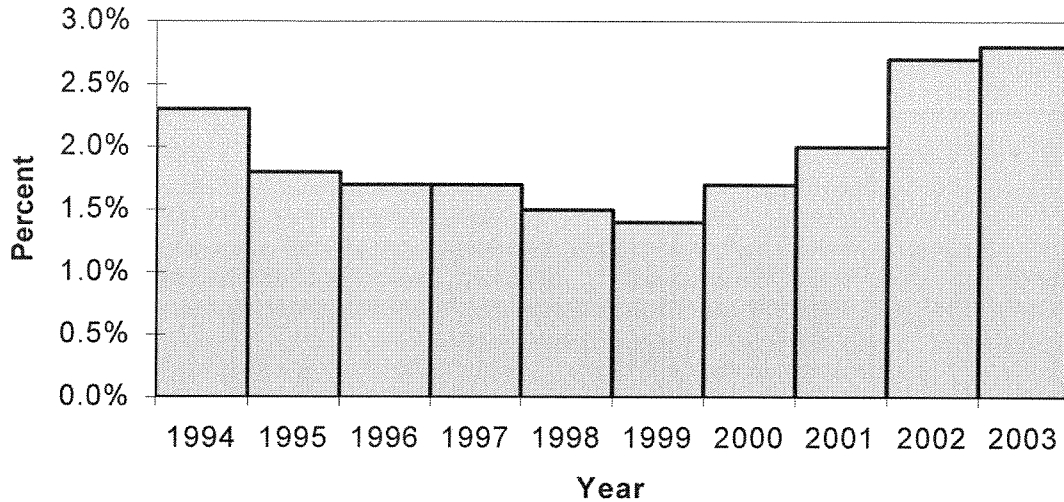
Dane County is a leading Wisconsin County for agriculture, ranking second in the state in the number of farms with 2,595 and the amount of land used in farms with 512,971 acres. The average farm consists of 198 acres. Dane County agriculture has the following rankings within the state: first in corn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

Dane County has a rapidly growing high-tech business community that currently includes more than 400 firms employing 26,000 people with reported annual sales, revenues and government awards or contracts approaching \$4.25 billion for 2003. 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 2003, the University of Wisconsin-Madison received more than \$417 million in extramural support for research from federal, state and private sources. According to latest figures available from the National Science Foundation, the University of Wisconsin-Madison is the second largest funded research university in the country.

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

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

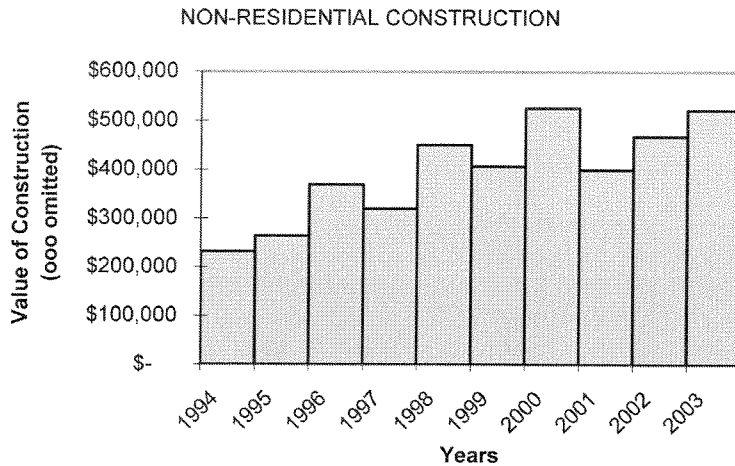
The 2003 annual average unemployment rate in Dane County, at 2.8% is consistently below state and national averages. The low unemployment rate can be attributed to the stability of the workforce and type of business located in the County.



Dane County Employment by Industry (Madison Metropolitan Area)

Industry Type	Annual Average					
	1990		2002		2003	
	Number	% Total	Number	% Total	Number	% Total
Manufacturing	25,600	11.55%	27,300	9.24%	27,200	9.14%
Construction	8,800	3.97	14,400	4.87%	14,600	4.91%
Transportation, Communication & Utilities	7,900	3.56	7,300	2.47%	7,400	2.49%
Wholesale & Retail Trade	50,200	22.64	42,100	14.25%	42,700	14.35%
Finance, Insurance & Real Estate	19,400	8.75	24,600	8.32%	25,600	8.60%
Services	49,200	22.19	104,800	35.47%	105,500	35.45%
Government	60,600	27.33	75,000	25.38%	74,600	25.07%
Totals	<u>221,700</u>	<u>100.00%</u>	<u>295,500</u>	<u>100.00%</u>	<u>297,600</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 2003, as reported in the Construction Activity Report published by MGE, included: the EPIC System Headquarters (\$40 million), Camp Randall Stadium Renovations (\$48 million), and Dane County Courthouse (\$44 million).



MAJOR INITIATIVES

During 2003, the county continued with the development of the new Justice Center project. The Justice Center will be built in downtown Madison adjacent to the Public Safety building and will house the 17 court branches, the Clerk of Courts, the District Attorney and other court related offices. The 2003 capital budget included over \$13.0 million for the project. During 2003, the county entered into a contract for the construction of the building. The Justice Center is expected to be completed in mid 2005.

FINANCIAL INFORMATION

Accounting System and Internal Control Structure

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

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

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

Budgetary Controls

Budgetary control is maintained at the agency level except for certain agencies, which are controlled by individual programs and/or groups of programs within the agency and are monitored by an annual appropriation and encumbrance system. The general ledger system will not allow the issuance of a check

unless adequate funds are available within an agency's budget. Encumbrances are made against appropriations prior to the issuance of purchase orders or consummation of contracts. Purchase orders outstanding at the end of the year where the goods and/or services have not been received are recognized in the accompanying financial statements as reservations of fund balance as they do not constitute expenditures or liabilities. The Board of Supervisors has designated certain accounts as non-lapsing, and those unexpended appropriations have been carried forward for use in 2003.

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, Employee Benefits, and Firearms Training Center.

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 Alimony & Support funds.

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 30, 2003, 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, 2003, 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, 2003. This was the twenty-first consecutive year that Dane County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

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

Respectfully submitted,



Charles Hicklin
Controller

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COUNTY OF DANE

LIST OF PRINCIPAL OFFICIALS

AS OF DECEMBER 31, 2003

ELECTED OFFICIALS

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

COUNTY BOARD SUPERVISORS

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

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COUNTY OF DANE
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2003

(Continued)

COUNTY BOARD SUPERVISORS

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

NONELECTED OFFICIALS

<u>Activity</u>	<u>Name</u>
Administration	Bonnie Hammersley
Adult Community Services	Louis F. Genter
Airport	Bradley Livingston
Badger Prairie Health Care Center	Jack D. Nelson
Children, Youth & Family Services	Vacant
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

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COUNTY OF DANE
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2003

(Continued)

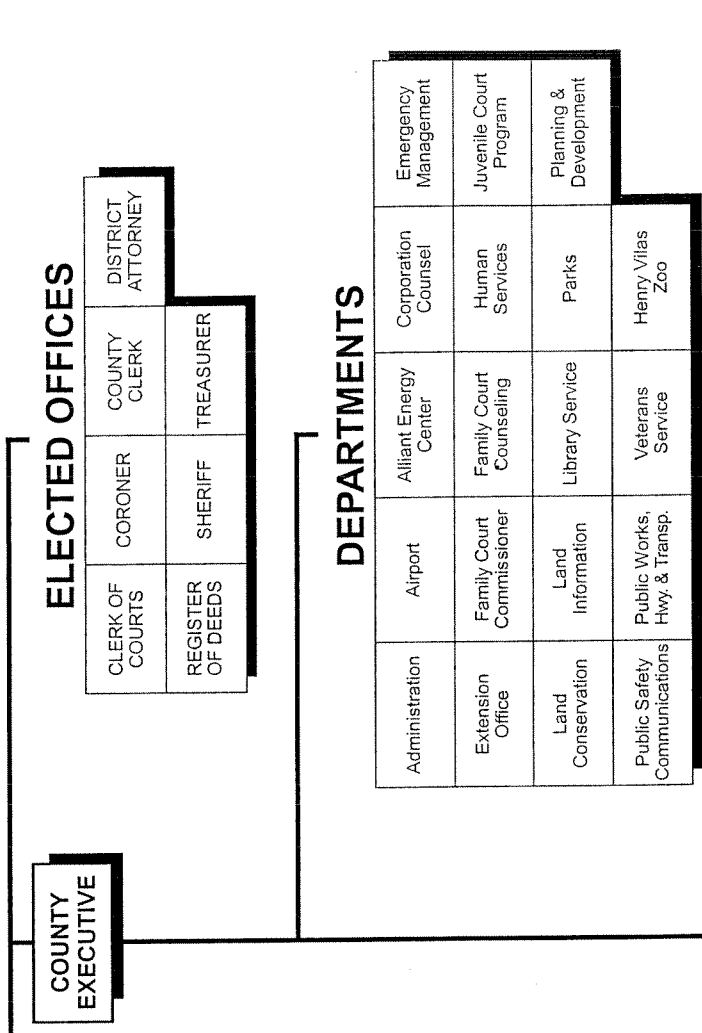
NONELECTED OFFICIALS

<u>Activity</u>	<u>Name</u>
Family Court Commissioner	Ralph J. Guerin
Family Court Counseling	Kathleen M. Jeffords
Highway & Transportation (Acting)	John Norwell
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 (Acting)	Todd Violante
Public Health Service	Gareth R. Johnson
Public Safety Communications	Richard Ellingston
Public Works (Acting)	John Schraufnagel
Veterans Service	Michael R. Jackson
Zoo	James Hubing

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ORGANIZATION OF DANE COUNTY GOVERNMENT

CITIZENS



BOARD OF SUPERVISORS
BOARD CHAIRPERSON COUNTY BOARD SERVICES

COUNTY EXECUTIVE

ELECTED OFFICES

CLERK OF COURTS	CORONER	COUNTY CLERK	DISTRICT ATTORNEY
REGISTER OF DEEDS	SHERIFF	TREASURER	

STANDING COMMITTEES

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

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	

COMMITTEES OF THE COUNTY BOARD

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

Agricultural Advisory Council	Airport Commission	Alliant Energy Center Commission	Board of Health	Board of Adjustment	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	Emergency Medical Services Commission	Election Commission	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 Public Health Advisory Committee	Joint Oversight Advisory 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	Public Safety Communications Center Board	Park Commission	Reclassification Appeals Board	Regional Planning Commission	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	Traffic Safety Commission	Task Force on Chronic Wasting Disease	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, 2002

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.



President

Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Dane, Wisconsin, as of and for the year ended December 31, 2003, 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, the discretely presented component unit of the County of Dane. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dane County Housing Authority, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Dane, Wisconsin at December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

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

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

Vickow, Kraus & Company, LLP

Madison, Wisconsin
April 30, 2004

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2003

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, 2003. We encourage readers to consider the information presented here in conjunction with the county's financial statements and the additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 7 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the County of Dane exceeded its liabilities at the close of the most recent fiscal year by \$306,456,193 (*net assets*). Of this amount, \$19,424,058 (*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 \$16,140,177.
- As of the close of the current fiscal year, the County of Dane's governmental funds reported combined ending fund balances of \$64,838,392, a increase of \$1,489,521 in comparison with the prior year. Approximately 53% of this amount, \$34,313,846 is unreserved and available for use within the county's designations and policies.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$14,852,749 or approximately 13% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the county's finances, in a manner similar to a private – sector business.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2003

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

The *Statement of Net Assets* presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating. To assess the overall health of the county 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 highway, Badger Prairie health care, airport, and sanitary landfill.

The government-wide financial statements include not only the County of Dane itself (known as the primary government), but also the Dane County Housing Authority which is a separate legal entity for which the County of Dane is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

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

Fund Financial Statements

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

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

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2003

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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

The county maintains 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 33 to 35 of this report.

Proprietary Funds – The county maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses enterprise funds to account for its Airport, Highway, 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, Firearms Training Center and Consolidated Food Service programs. The services provided by these funds predominately benefit the governmental rather than the business-type functions. They have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport, Highway, Sanitary Landfill, and Badger Prairie Health Care, 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 36 to 45 of this report.

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

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

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2003

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48 to 96 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the General Fund and the Human Services Special Revenue Fund to demonstrate compliance with the budget. These schedules can be found on pages 97 to 101 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, proprietary funds, internal service funds and other information related to the individual funds are presented immediately following the required supplementary information. Combining and individual statements and schedules can be found on pages 102 to 134 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

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

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the County of Dane, assets exceeded liabilities by \$306,456,193 as of December 31, 2003.

The largest portion of the county's net assets (approximately 93%) 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 1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$19,424,058 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, 2003

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
	2002	2003	2002	2003	2002	2003	
Current and Other Assets	\$ 193.8	\$ 200.6	\$ 72.0	\$ 92.7	\$ 265.8	\$ 293.3	10.3%
Capital Assets	<u>211.0</u>	<u>225.5</u>	<u>142.3</u>	<u>162.6</u>	<u>353.3</u>	<u>388.1</u>	9.9%
Total Assets	<u>404.8</u>	<u>426.1</u>	<u>214.3</u>	<u>255.3</u>	<u>619.1</u>	<u>681.4</u>	10.1%
Long-term Liabilities	131.6	145.9	40.9	69.0	172.5	214.9	24.6%
Other Liabilities	<u>146.2</u>	<u>147.4</u>	<u>10.1</u>	<u>12.7</u>	<u>156.3</u>	<u>160.1</u>	2.4%
Total Liabilities	<u>277.8</u>	<u>293.3</u>	<u>51.0</u>	<u>81.7</u>	<u>328.8</u>	<u>375.0</u>	14.1%
Net Assets:							
Invested in Capital Assets,							
Net of Related Debt	145.0	147.9	138.4	136.3	283.4	284.2	0.3%
Restricted	3.7	2.7	0.2	0.1	3.9	2.8	-28.2%
Unrestricted (deficit)	<u>(21.7)</u>	<u>(17.8)</u>	<u>24.7</u>	<u>37.2</u>	<u>3.0</u>	<u>19.4</u>	546.0%
Total Net Assets	<u>\$ 127.0</u>	<u>\$ 132.8</u>	<u>\$ 163.3</u>	<u>\$ 173.6</u>	<u>\$ 290.3</u>	<u>\$ 306.4</u>	5.5%

Analysis of the county's Operations – The following table provides a summary of the county's operations for the year ended December 31, 2003. Governmental activities increased the County of Dane's net assets by \$5,784,892 accounting for approximately 36% of the total growth in net assets. Contributions related to infrastructure account for a majority of this increase. Business-type activities increased the county's net assets by \$10,355,285 accounting for 64% 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, 2003

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	
	2002	2003	2002	2003	2002	2003
Revenues:						
<u>Program Revenues</u>						
Charges for services	\$ 25.9	\$ 28.8	\$ 36.8	\$ 34.5	\$ 62.7	\$ 63.3
Operating grants	145.2	150.0	8.5	7.8	153.7	157.8
Capital grants	7.0	1.5	7.1	10.0	14.1	11.5
<u>General Revenues:</u>						
Property taxes	84.9	89.2	5.2	3.8	90.1	93.0
Sales taxes	37.2	39.1	-	-	37.2	39.1
Other taxes	3.7	3.8	-	-	3.7	3.8
Intergovernmental	7.5	7.5	-	-	7.5	7.5
Public gifts & grants	3.3	1.2	-	-	3.3	1.2
Investment income	1.8	1.6	0.6	0.7	2.4	2.3
Gain (Loss) on the sale of assets	.1	.2	(.1)	-	-	.2
Miscellaneous	<u>1.1</u>	<u>2.1</u>	<u>0.4</u>	<u>0.3</u>	<u>1.5</u>	<u>2.4</u>
Total Revenues	<u>317.7</u>	<u>325.0</u>	<u>58.5</u>	<u>57.1</u>	<u>376.2</u>	<u>382.1</u>
Expenses:						
General Government	21.7	22.5	-	-	21.7	22.5
Health and human services	183.5	190.6	-	-	183.5	190.6
Public safety & criminal justice	68.4	72.5	-	-	68.4	72.5
Public works	4.2	4.1	-	-	4.2	4.1
Culture, education & recreation	16.6	17.4	-	-	16.6	17.4
Conservation & econ. devel.	5.0	4.3	-	-	5.0	4.3
Interest & fiscal charges	2.4	5.1	-	-	2.4	5.1
Highway	-	-	15.7	15.5	15.7	15.5
Airport	-	-	11.3	11.6	11.3	11.6
Badger Prairie Health Care Cnt	-	-	13.2	14.1	13.2	14.1
Sanitary Landfill	-	-	6.0	6.9	6.0	6.9
Other non-major proprietary funds	<u>-</u>	<u>-</u>	<u>1.3</u>	<u>1.4</u>	<u>1.3</u>	<u>1.4</u>
Total Expenses	<u>301.8</u>	<u>316.5</u>	<u>47.5</u>	<u>49.5</u>	<u>349.3</u>	<u>366.0</u>
Increase in net assets before transfers	15.9	8.5	11.0	7.6	26.9	16.1
Transfers	<u>(1.0)</u>	<u>(2.7)</u>	<u>1.0</u>	<u>2.7</u>	<u>-</u>	<u>-</u>
Change in net assets	14.9	5.8	12.0	10.3	26.9	16.1
Net Assets - January 1	<u>112.1</u>	<u>127.0</u>	<u>151.3</u>	<u>163.3</u>	<u>263.4</u>	<u>290.3</u>
Net Assets - December 31	<u>\$ 127.0</u>	<u>\$ 132.8</u>	<u>\$ 163.3</u>	<u>\$ 173.6</u>	<u>\$ 290.3</u>	<u>\$ 306.4</u>

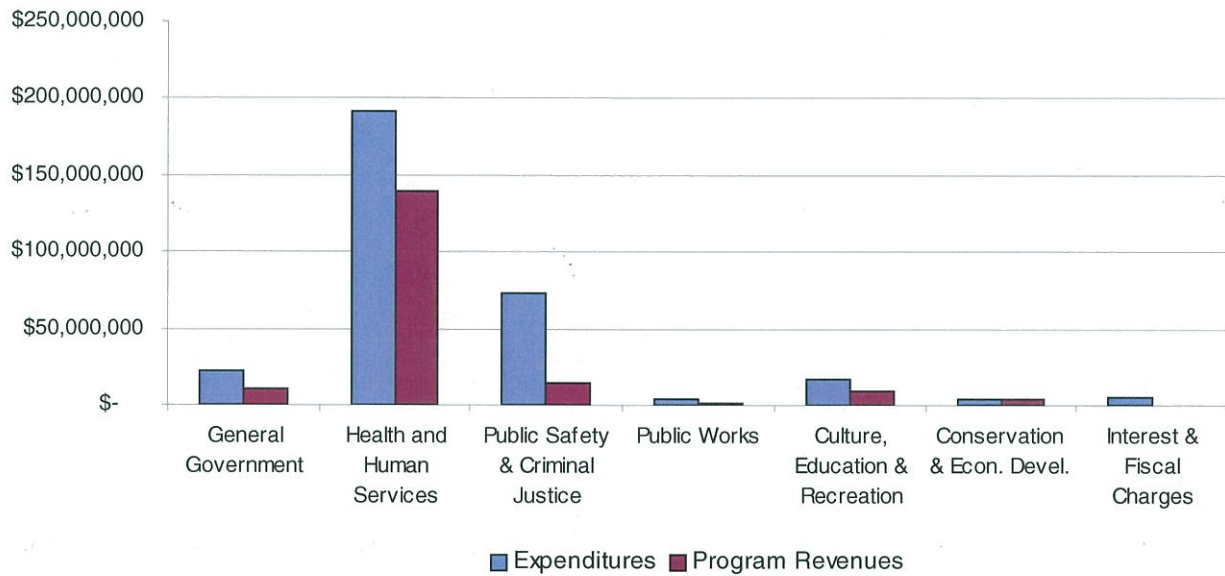
Revenues increased by \$5.9 million from 2002, a significant portion of this is a result of an increase in operating grants received by the County's Human Services department. As a result of the increase in operating grants received, operating grant expenditures for the Human Services department also increased over 2002. Federal funding for Terrorism and Bio-terrorism increased both revenues and expenditures in the Public Safety and Criminal Justice programs by almost \$2.0 million and in the Health and Human Needs program by \$0.5 million in 2003.

COUNTY OF DANE, WISCONSIN

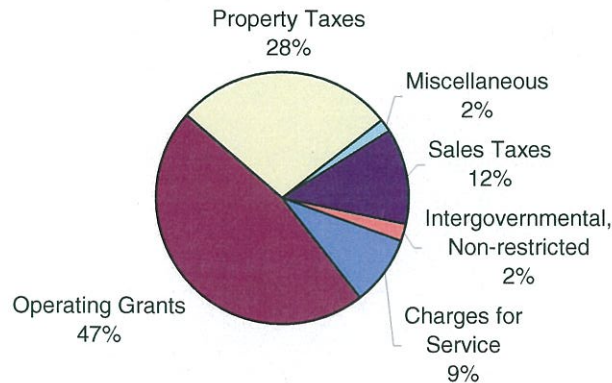
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2003

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

Expenses & Program Revenues-Governmental Activities



Revenue by Source-Gov. Activities

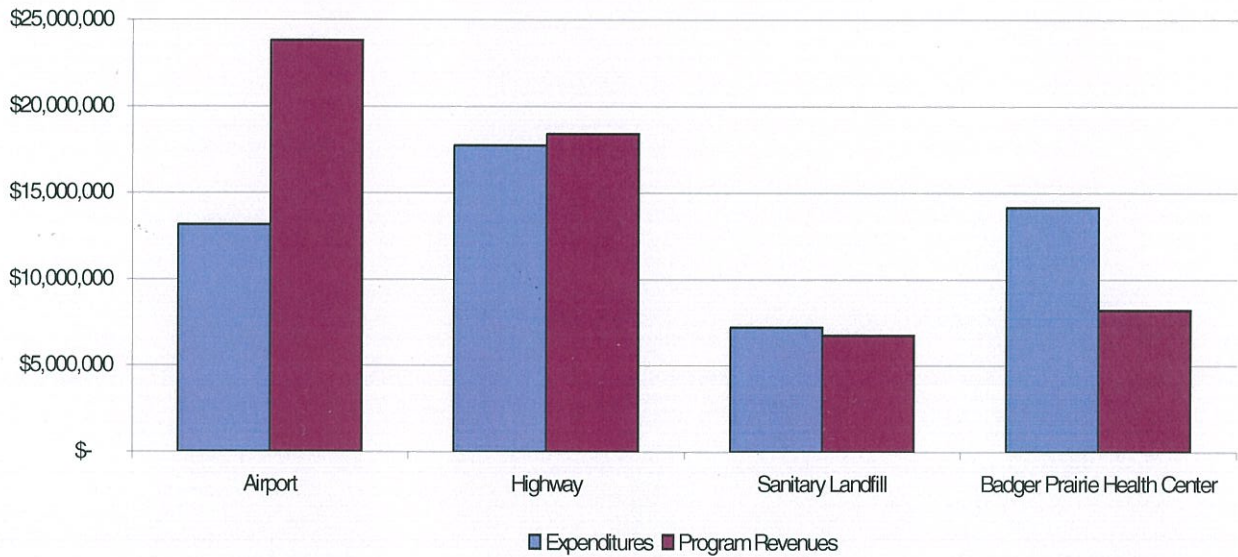


COUNTY OF DANE, WISCONSIN

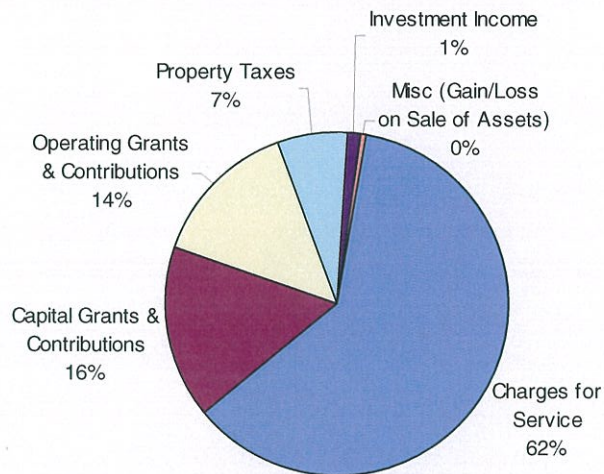
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2003

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, 2003

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds.

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

At the end of current fiscal year, the County of Dane's governmental funds reported combined ending fund balances of \$64,838,392. Approximately 53% of this total amount, \$34,313,846 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 (\$22,967,712), 2) for prepaid items (\$39,225), 3) delinquent personal property taxes (\$3,640,377), 4) long-term receivables/advances (\$452,644), 5) debt retirement (\$3,004,425) and 6) for trust purposes (\$420,163).

Of the \$34,313,846 unreserved fund balance, the use of \$22,673,028 or approximately 66% 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 \$2,983,979. Approximately \$18,019,741 is designated for projects where funds have been borrowed for projects that will be expended in subsequent year(s). Of this amount, the use of \$17,020,052 is in the Capital Projects Fund. This includes the Justice Center project \$6,784,608, the Conservation Fund \$3,202,670 and other projects \$7,032,774.
- The remaining \$1,669,308 is designated for specific activities such as the Land Information office operations, Alliant Energy Center operations, and the Community Development Block Grant Loan program.

General Fund

The County's General Fund is used to account for the preponderance of the County's operations with the exception of the Human Services Department and the business type activities recorded in other major funds. Operations included in the General Fund include the departments of Administration, Parks, Land Conservation, Family Court Counseling, Family Court Commissioner, Emergency Management, Public Safety Communications, Corporation Counsel, Planning and Development and Public Works. This fund also accounts for the activity of the elected officers of the County Executive, the Sheriff's Office, the Clerk of Courts, the County Treasurer, the Register of Deeds, and the County Clerk. The General fund balance increased \$1,376,212 from 2002.

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 \$154,291 from 2002.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2003

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

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 \$21,276,579 from 2002. Funds to retire the County's Wisconsin Retirement System Prior Service Credit of \$18,800,672 were borrowed in 2002 and included in the ending 2002 fund balance. The retirement of the Retirement Prior Service credit occurred in 2003 and accounts for 88% of this decrease.

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 increased \$21,002,813 from 2002. This increase is mostly due to borrowing proceeds from 2003 that were not expended as of the end of 2003. These funds are shown on the Balance Sheet – Governmental Funds as a Reserve for Encumbrances.

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 \$10,660,550 from 2002. Of this amount, \$5.9 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 \$1,465,305 over 2002.

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 \$943,685 over 2002. \$502,710 of the decrease is due to an Operating Transfer from the Sanitary Landfill to the General Fund for the proceeds from a Land sale.

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 \$725,120 from 2002. This is due to the change in the amount of tax subsidy the Health Care Center receives.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2003

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations of approximately \$12,347,193 more than the original budget. The total original appropriations, including those for transfers out, were \$168,718,745, while the final appropriations were \$181,065,938. The majority of the difference was related to the appropriation carry forwards for projects not completed by year-end of \$7,544,962. The remaining increase of approximately \$4,802,231 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 2003, the county had invested a total of \$388,174,177 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:

Construction Work in Progress had a net increase of \$5.3 million including primarily due to the construction progress on the County's new courthouse building. This amount is net of a \$6.3 transfer from Construction Work in Progress to the Buildings account at the airport and \$12 million that was transferred from Construction in Progress to Land Improvements at the airport.

\$4,143,079 million was capitalized for Dane County Conservation Fund land and easement purchases.

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

	Government		Business-Type Activities		Total	
	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>
Land	\$ 43.49	\$ 47.64	\$ 29.81	\$ 29.05	\$ 73.30	\$ 76.69
Land Improvements	28.77	29.87	48.25	61.03	77.02	90.90
Buildings	66.80	70.06	26.34	31.89	93.14	101.95
Zoo Animals	0.21	0.19	-	-	0.21	0.19
Machinery & Equipment	4.29	4.63	13.57	13.58	17.86	18.21
Infrastructure	50.21	52.97	-	-	50.21	52.97
Construction in Progress	17.26	20.21	24.28	27.05	41.54	47.26
Total	<u>\$ 211.03</u>	<u>\$ 225.56</u>	<u>\$ 142.25</u>	<u>\$ 162.61</u>	<u>\$ 353.28</u>	<u>\$ 388.17</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, 2003

LONG-TERM DEBT

During 2003, the county issued \$69,316,107 in bonds and notes and retired debt of \$15,939,226 resulting in \$192,636,403 in outstanding bonds payable at the end of 2003. This results in a per capita general obligation debt of \$432.64/person. Of the bonded debt, \$123,854,427 is to be repaid with general property taxes.

Of the \$69,316,107 in bonds issued in 2003, \$24.38 million was issued to fund the completion of the new county courthouse. The County also issued \$25.2 in general obligation bonds to be used for expansion of the terminal building at the Dane County Regional Airport. These bonds will be repaid from airport revenues. The remaining \$19.7 million in debt was issued to fund various capital projects and to fund purchases of land for the County's park system.

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 \$192,636,403, which is considerably below the maximum of \$1,734,841,255. The general obligation notes and bonds issued in 2003 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)

	Government Activities		Business-Type Activities		Total		Percent Change
	2002	2003	2002	2003	2002	2003	
General Obligation Debt Outstanding	<u>\$ 108.02</u>	<u>\$ 133.85</u>	<u>\$ 31.24</u>	<u>\$ 58.79</u>	<u>\$ 139.26</u>	<u>\$ 192.64</u>	38.3%

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

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2003

REQUESTS FOR INFORMATION

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

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

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COUNTY OF DANE

STATEMENT OF NET ASSETS
December 31, 2003

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Totals	
ASSETS				
Cash and investments	\$ 79,985,105	\$ 76,031,975	\$ 156,017,080	\$ 550,703
Receivables (net of allowance for uncollectibles)				
Taxes	93,616,177	3,840,241	97,456,418	-
Delinquent taxes	6,439,159	-	6,439,159	-
Accounts	3,451,642	2,293,889	5,745,531	29,176
Loans	2,229,338	-	2,229,338	251,129
Other	2,792,738	-	2,792,738	-
Due from other governmental units	11,146,911	1,927,986	13,074,897	61,702
Internal balances	(1,602,078)	1,602,078	-	-
Inventories	-	1,826,328	1,826,328	-
Prepaid items	39,225	26,296	65,521	4,584
Deposits	50,000	-	50,000	-
Restricted assets:				
Temporarily restricted:				
Cash and investments	-	4,662,717	4,662,717	430,452
Deposit with Wisconsin Mutual Insurance Co.	1,809,171	-	1,809,171	-
Other assets	625,888	451,433	1,077,321	-
Capital assets:				
Land	47,635,632	29,051,506	76,687,138	1,137,721
Construction in progress	20,210,503	27,050,544	47,261,047	-
Land Improvements	34,130,540	102,063,179	136,193,719	-
Buildings	103,723,880	47,147,886	150,871,766	5,824,604
Zoo animals	313,580	-	313,580	-
Machinery and equipment	17,204,275	32,752,790	49,957,065	149,124
Infrastructure	80,752,047	-	80,752,047	-
Less: accumulated depreciation	(78,405,685)	(75,456,560)	(153,862,245)	(4,484,712)
Total Assets	426,148,048	255,272,288	681,420,336	3,954,483
LIABILITIES				
Accounts payable	10,721,239	1,975,846	12,697,085	10,626
Accrued payroll and payroll taxes	5,860,006	992,327	6,852,333	-
Other accrued liabilities and deposits	8,270,968	274,434	8,545,402	37,429
Due to other governmental units	9,223,225	2,831,879	12,055,104	-
Unearned revenue	95,503,823	4,149,322	99,653,145	404,302
Noncurrent liabilities:				
Due within one year	17,811,197	2,421,993	20,233,190	118,193
Due in more than one year	145,915,348	69,012,536	214,927,884	320,836
Total Liabilities	293,305,806	81,658,337	374,964,143	891,386
NET ASSETS				
Invested in capital assets, net of related debt	147,933,338	136,265,667	284,199,005	2,471,420
Restricted	2,678,499	154,631	2,833,130	404,767
Unrestricted	(17,769,595)	37,193,653	19,424,058	186,910
Total Net Assets	\$ 132,842,242	\$ 173,613,951	\$ 306,456,193	\$ 3,063,097

COUNTY OF DANE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 22,453,647	\$ 6,451,051	\$ 4,472,808	\$ -
Health and human services	190,594,964	1,861,066	137,531,251	-
Public safety and criminal justice	72,523,366	9,635,491	5,234,439	-
Public works	4,082,532	809,001	112,154	719,871
Culture, education and recreation	17,408,855	8,028,910	258,888	751,250
Conservation and economic development	4,316,648	2,061,938	2,398,209	-
Interest and fiscal charges	5,137,765	-	-	-
Total Governmental Activities	316,517,777	28,847,457	150,007,749	1,471,121
Business type activities				
Airport	11,593,931	11,923,671	158,889	9,259,802
Highway	15,511,370	8,197,323	5,343,986	774,016
Sanitary landfill	6,899,795	6,670,040	10,000	-
Badger Prairie Health Care Center	14,152,450	5,891,379	2,321,619	-
Other non-major proprietary funds	1,371,029	1,838,108	-	-
Total Business-Type Activities	49,528,575	34,520,521	7,834,494	10,033,818
Total primary government	\$ 366,046,352	\$ 63,367,978	\$ 157,842,243	\$ 11,504,939
Component Unit:				
Housing authority	\$ 9,454,797	\$ 736,523	\$ 8,205,243	\$ -

General revenues:

Taxes

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Property taxes, levied for highway purposes
- Sales taxes
- Other taxes

Intergovernmental revenues not restricted to specific programs

- Public gifts and/or grants
- Investment income

- Gain (loss) on the sale of assets
- Miscellaneous

Transfers

Total general revenues 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 Unit
Governmental Activities	Business-Type Activities	Totals	
\$ (11,529,788)	\$ -	\$ (11,529,788)	\$ -
(51,202,647)	-	(51,202,647)	-
(57,653,436)	-	(57,653,436)	-
(2,441,506)	-	(2,441,506)	-
(8,369,807)	-	(8,369,807)	-
143,499	-	143,499	-
<u>(5,137,765)</u>	<u>-</u>	<u>(5,137,765)</u>	<u>-</u>
<u>(136,191,450)</u>	<u>-</u>	<u>(136,191,450)</u>	<u>-</u>
-	9,748,431	9,748,431	-
-	(1,196,045)	(1,196,045)	-
-	(219,755)	(219,755)	-
-	(5,939,452)	(5,939,452)	-
<u>-</u>	<u>467,079</u>	<u>467,079</u>	<u>-</u>
<u>-</u>	<u>2,860,258</u>	<u>2,860,258</u>	<u>-</u>
(136,191,450)	2,860,258	(133,331,192)	-
-	-	-	(513,031)
80,066,903	-	80,066,903	-
9,091,374	-	9,091,374	-
-	3,839,659	3,839,659	-
39,121,543	-	39,121,543	-
3,802,146	-	3,802,146	-
7,459,188	-	7,459,188	-
1,218,638	-	1,218,638	-
1,652,739	677,744	2,330,483	6,399
203,033	(50,517)	152,516	-
2,079,104	309,815	2,388,919	78,235
<u>(2,718,326)</u>	<u>2,718,326</u>	<u>-</u>	<u>-</u>
<u>141,976,342</u>	<u>7,495,027</u>	<u>149,471,369</u>	<u>84,634</u>
5,784,892	10,355,285	16,140,177	(428,397)
<u>127,057,350</u>	<u>163,258,666</u>	<u>290,316,016</u>	<u>3,491,494</u>
<u>\$ 132,842,242</u>	<u>\$ 173,613,951</u>	<u>\$ 306,456,193</u>	<u>\$ 3,063,097</u>

See accompanying notes to financial statements.

COUNTY OF DANE

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2003

ASSETS	General	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$ 13,839,186	\$ 11,538,901	\$ 3,030,167	\$ 41,132,837	\$ 3,827,053	\$ 73,368,144
Receivables						
Taxes	76,278,763	-	10,743,151	-	6,594,263	93,616,177
Delinquent taxes	6,439,159	-	-	-	-	6,439,159
Accounts	2,058,789	1,242,434	-	98,548	69,224	3,468,995
Loans	-	-	-	-	2,229,338	2,229,338
Other	1,879,726	-	-	-	-	1,879,726
Due from other governments	9,425,314	1,485,779	-	-	235,818	11,146,911
Due from other funds	376,913	2,026	46,509	-	425	425,873
Prepaid items	22,342	16,883	-	-	-	39,225
Advances to other funds	48,802	-	-	-	-	48,802
Total Assets	\$ 110,368,994	\$ 14,286,023	\$ 13,819,827	\$ 41,231,385	\$ 12,956,121	\$ 192,662,350

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 2,195,527	\$ 5,453,975	\$ 72,251	\$ 2,665,591	\$ 242,434	\$ 10,629,778
Accrued payroll and payroll taxes	4,684,899	909,204	-	-	199,649	5,793,752
Other accrued liabilities and deposits	1,757,691	97,912	-	-	13,742	1,869,345
Due to other governments	1,545,498	7,505,736	-	64,791	70,071	9,186,096
Due to other funds	81,825	10,653	-	178,122	292,983	563,583
Deferred revenue	79,828,608	-	10,743,151	199,826	9,009,819	99,781,404
Total Liabilities	90,094,048	13,977,480	10,815,402	3,108,330	9,828,698	127,823,958

Fund balances:

Reserved for:						
Encumbrances	1,306,834	104,876	-	21,103,003	452,999	22,967,712
Prepaid items	22,342	16,883	-	-	-	39,225
Non-county levy portion of delinquent taxes receivable	3,640,377	-	-	-	-	3,640,377
Long-term receivables	403,842	-	-	-	-	403,842
Advances	48,802	-	-	-	-	48,802
Debt service	-	-	3,004,425	-	-	3,004,425
Trust activities	-	-	-	-	420,163	420,163
Unreserved and designated, reported in:						
General fund	3,207,856	-	-	-	-	3,207,856
Special revenue funds	-	186,784	-	-	2,258,336	2,445,120
Capital projects fund	-	-	-	17,020,052	-	17,020,052
Unreserved and undesignated, reported in:						
General fund	11,644,893	-	-	-	-	11,644,893
Special revenue funds (deficit)	-	-	-	-	(4,075)	(4,075)
Total Fund Balances	20,274,946	308,543	3,004,425	38,123,055	3,127,423	64,838,392

Total Liabilities and Fund Balances	\$ 110,368,994	\$ 14,286,023	\$ 13,819,827	\$ 41,231,385	\$ 12,956,121
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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.	222,214,424
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.	4,277,581
Internal service funds are reported in the statement of net assets as governmental funds	5,090,819
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.	(163,578,974)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 132,842,242

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2003

	General	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 116,526,358	\$ -	\$ 9,091,374	\$ -	\$ 6,420,199	\$ 132,037,931
Intergovernmental	23,143,231	133,113,404	-	149,847	1,650,371	158,056,853
Public charges for services	16,088,498	99,473	-	777,146	1,246,473	18,211,590
Fines, forfeitures and penalties	2,176,795	-	-	-	-	2,176,795
Licenses and permits	830,360	-	-	-	863,547	1,693,907
Investment income	1,013,716	-	391,065	-	-	1,404,781
Miscellaneous	4,648,941	4,257,040	1,452,077	95,950	50,131	10,504,139
Total Revenues	<u>164,427,899</u>	<u>137,469,917</u>	<u>10,934,516</u>	<u>1,022,943</u>	<u>10,230,721</u>	<u>324,085,996</u>
EXPENDITURES						
Current:						
General government	21,408,171	-	-	-	-	21,408,171
Health and human services	403,515	184,740,977	-	-	4,779,366	189,923,858
Public safety and criminal justice	70,218,666	-	-	-	-	70,218,666
Public works	1,143,869	-	-	-	114,498	1,258,367
Culture, education and recreation	12,382,709	-	-	-	3,549,343	15,932,052
Conservation and economic development	4,601,236	-	-	-	950,340	5,551,576
Capital Outlay	1,359,571	40,549	-	16,867,355	211,879	18,479,354
Debt Service:						
Principal retirement	-	-	14,934,923	-	-	14,934,923
Interest and fees	-	-	4,938,330	-	-	4,938,330
Total Expenditures	<u>111,517,737</u>	<u>184,781,526</u>	<u>19,873,253</u>	<u>16,867,355</u>	<u>9,605,426</u>	<u>342,645,297</u>
Excess (deficiency) of revenues over (under) expenditures	<u>52,910,162</u>	<u>(47,311,609)</u>	<u>(8,938,737)</u>	<u>(15,844,412)</u>	<u>625,295</u>	<u>(18,559,301)</u>
OTHER FINANCING SOURCES (USES)						
General obligation debt issued	2,524,468	-	1,925,951	36,804,800	-	41,255,219
Debt premium	-	-	1,354,604	-	-	1,354,604
Capital leases issued	57,466	-	-	-	-	57,466
Sale of county property	427,824	-	-	-	-	427,824
Transfers in	1,856,331	47,157,318	3,182,275	42,425	-	52,238,349
Transfers out	(56,400,039)	-	-	-	(83,929)	(56,483,968)
Total Other Financing Sources (Uses)	<u>(51,533,950)</u>	<u>47,157,318</u>	<u>6,462,830</u>	<u>36,847,225</u>	<u>(83,929)</u>	<u>38,849,494</u>
SPECIAL ITEM						
Retirement prior service	-	-	(18,800,672)	-	-	(18,800,672)
Net change in fund balance	1,376,212	(154,291)	(21,276,579)	21,002,813	541,366	1,489,521
Fund balances - beginning (as restated)	<u>18,898,734</u>	<u>462,834</u>	<u>24,281,004</u>	<u>17,120,242</u>	<u>2,586,057</u>	<u>63,348,871</u>
Fund balances - ending	<u>\$ 20,274,946</u>	<u>\$ 308,543</u>	<u>\$ 3,004,425</u>	<u>\$ 38,123,055</u>	<u>\$ 3,127,423</u>	<u>\$ 64,838,392</u>

See accompanying notes to financial statements.

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COUNTY OF DANE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2003

Net change in fund balances - total governmental funds	\$ 1,489,521
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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	18,479,354
Less: Some items reported as capital outlay but not capitalized	(589,801)
Depreciation is reported in the government-wide statements - less internal service funds	(6,303,543)
Capital contributions reported in the government-wide statements (infrastructure)	719,871
Infrastructure financed by the highway fund	2,231,925

Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to increase net assets.	203,033
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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.	704,334
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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.	(7,525,762)
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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.	(1,005,341)
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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	(1,975,271)
Claims and judgments	70,000
Disability benefits	7,430
Accrued interest on debt	(520,640)

Internal service funds are used by management to charge the costs of printing, workers compensation, liability insurance, employee benefits, food service and firearms training center costs to individual funds. The decrease in net assets of the internal service funds is reported with governmental activities.	(200,218)
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 5,784,892
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See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS December 31, 2003

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Airport</u>	<u>Highway</u>	<u>Sanitary Landfill</u>
ASSETS			
Current assets:			
Cash and investments	\$ 65,774,749	\$ 2,085,096	\$ 5,014,735
Taxes receivable	-	3,840,241	-
Accounts receivable, net	1,074,984	10,118	462,323
Due from other governments	-	1,838,223	-
Due from other funds	288	293,012	74
Inventories	-	1,678,648	-
Prepaid items	499	25,617	180
Deposits	-	-	-
Total Current Assets	66,850,520	9,770,955	5,477,312
Noncurrent assets:			
Restricted cash and investments	-	-	4,615,092
Advances to other funds	-	-	1,260,575
Other assets	451,433	-	-
Capital assets:			
Land	27,430,587	147,495	1,427,436
Construction in progress	25,626,865	1,324,306	-
Land improvements	87,012,858	441,946	14,278,127
Buildings	39,565,161	2,900,832	637,014
Machinery and equipment	7,412,939	14,738,161	4,267,803
Less accumulated depreciation	(47,834,538)	(10,286,583)	(11,416,154)
Total Capital Assets (Net of Accumulated Depreciation)	139,213,872	9,266,157	9,194,226
Total Noncurrent Assets	139,665,305	9,266,157	15,069,893
Total Assets	206,515,825	19,037,112	20,547,205

<u>Business-type Activities - Enterprise Funds</u>			
<u>Badger Prairie Health Care</u>	<u>Other Proprietary Funds</u>	<u>Totals Current Year</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 419,208	\$ 2,738,187	\$ 76,031,975	\$ 6,616,961
-	-	3,840,241	-
692,195	54,269	2,293,889	895,660
-	89,763	1,927,986	-
618	39	294,031	48
25,706	121,974	1,826,328	-
-	-	26,296	-
-	-	-	50,000
<u>1,137,727</u>	<u>3,004,232</u>	<u>86,240,746</u>	<u>7,562,669</u>
47,625	-	4,662,717	1,809,171
-	194,093	1,454,668	-
-	-	451,433	-
45,988	-	29,051,506	108,000
-	99,373	27,050,544	-
330,248	-	102,063,179	1,631,109
4,044,879	-	47,147,886	2,502,933
2,926,340	3,407,547	32,752,790	947,262
<u>(4,560,092)</u>	<u>(1,359,193)</u>	<u>(75,456,560)</u>	<u>(1,838,956)</u>
<u>2,787,363</u>	<u>2,147,727</u>	<u>162,609,345</u>	<u>3,350,348</u>
<u>2,834,988</u>	<u>2,341,820</u>	<u>169,178,163</u>	<u>5,159,519</u>
<u>3,972,715</u>	<u>5,346,052</u>	<u>255,418,909</u>	<u>12,722,188</u>

COUNTY OF DANE

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
December 31, 2003

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Airport</u>	<u>Highway</u>	<u>Sanitary Landfill</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 351,231	\$ 1,152,115	\$ 106,525
Accrued payroll and payroll taxes	169,280	258,624	38,265
Accrued compensated absences	359,789	607,757	84,822
Other accrued liabilities and deposits	235,346	3,379	-
Due to other governments	1,850,076	754,578	188,524
Due to other funds	1,339	2,735	55,170
Current portion of postclosure care costs	-	-	46,640
Current portion of general obligation debt	-	103,312	-
Current portion of capital leases	-	-	55,984
Current portion of notes payable	-	-	-
Current portion of other liabilities	-	-	-
Deferred revenue	32,215	4,117,107	-
Total Current Liabilities	<u>2,999,276</u>	<u>6,999,607</u>	<u>575,930</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Accrued compensated absences	876,670	1,497,881	222,440
Long-term care and postclosure care costs payable	-	-	4,413,821
General obligation debt	54,710,000	216,017	-
Unamortized premium on debt	2,518,854	-	-
Notes payable	-	-	-
Other long-term liabilities	-	-	-
Total Noncurrent Liabilities	<u>58,105,524</u>	<u>1,713,898</u>	<u>4,636,261</u>
Total Liabilities	<u>61,104,800</u>	<u>8,713,505</u>	<u>5,212,191</u>
NET ASSETS			
Invested in capital assets, net of related debt	114,496,089	8,946,828	9,138,242
Restricted for:			
Unpaid claims and restricted deposits	-	-	-
Employee benefits	-	-	-
Landfill long-term care costs	-	-	154,631
Unrestricted (deficit)	30,914,936	1,376,779	6,042,141
Total Net Assets	<u>\$ 145,411,025</u>	<u>\$ 10,323,607</u>	<u>\$ 15,335,014</u>

<u>Business-type Activities - Enterprise Funds</u>			
<u>Badger Prairie Health Care</u>	<u>Other Proprietary Funds</u>	<u>Totals Current Year</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 211,552	\$ 154,423	\$ 1,975,846	\$ 91,463
503,601	22,557	992,327	66,253
562,075	57,623	1,672,066	79,846
5,503	30,206	274,434	4,876,201
34,266	4,435	2,831,879	37,130
3,625	83,752	146,621	9,748
-	-	46,640	-
276,872	223,959	604,143	469,512
-	11,088	67,072	-
32,072	-	32,072	-
-	-	-	130,000
-	-	4,149,322	-
<u>1,629,566</u>	<u>588,043</u>	<u>12,792,422</u>	<u>5,760,153</u>
-	-	-	1,503,470
1,109,086	124,067	3,830,144	114,630
-	-	4,413,821	-
1,004,089	2,252,513	58,182,619	123,116
-	-	2,518,854	-
67,098	-	67,098	-
-	-	-	130,000
<u>2,180,273</u>	<u>2,376,580</u>	<u>69,012,536</u>	<u>1,871,216</u>
<u>3,809,839</u>	<u>2,964,623</u>	<u>81,804,958</u>	<u>7,631,369</u>
1,724,912	1,959,596	136,265,667	2,757,720
-	-	-	2,722,329
-	-	-	1,455,987
-	-	154,631	-
<u>(1,562,036)</u>	<u>421,833</u>	<u>37,193,653</u>	<u>(1,845,217)</u>
<u>\$ 162,876</u>	<u>\$ 2,381,429</u>	<u>\$ 173,613,951</u>	<u>\$ 5,090,819</u>

COUNTY OF DANE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS For the Year Ended December 31, 2003

	Business-type Activities - Enterprise Funds		
	Airport	Highway	Sanitary Landfill
Operating revenues:			
Charges for services	\$ 6,848,408	\$ 8,615,975	\$ 6,647,287
Intergovernmental charges for services	-	4,013,684	-
Parking fees and concession sales	5,075,262	-	-
Other	158,889	14,524	22,753
Total Operating Revenues	12,082,559	12,644,183	6,670,040
Operating expenses:			
Personal services	4,023,864	8,813,665	1,155,858
Contractual services	1,368,702	1,023,696	3,262,900
Highway operations	-	7,002,769	-
Insurance services	-	-	-
Other	1,219,524	-	1,538,287
Depreciation	4,516,612	889,530	942,750
Total Operating Expenses	11,128,702	17,729,660	6,899,795
Operating Income (Loss)	953,857	(5,085,477)	(229,755)
Nonoperating revenues (expenses):			
Taxes	-	3,839,659	-
Intergovernmental grants	-	1,671,143	10,000
Investment income	600,312	-	77,432
Interest expense	(2,013,433)	(13,635)	-
Interest charged to construction	1,548,204	-	-
Amortization of bond premium	309,815	-	-
Gain (loss) on disposal of fixed assets	1,993	249,926	(298,652)
Total nonoperating revenues (expenses)	446,891	5,747,093	(211,220)
Income (loss) before contributions and transfers	1,400,748	661,616	(440,975)
Capital contributions	9,259,802	-	-
Transfers in	-	2,028,360	-
Transfers out	-	(1,224,671)	(502,710)
Change in Net Assets	10,660,550	1,465,305	(943,685)
Total Net Assets - Beginning	134,750,475	8,858,302	16,278,699
Total Net Assets - Ending	\$ 145,411,025	\$ 10,323,607	\$ 15,335,014

<u>Business-type Activities - Enterprise Funds</u>			
<u>Badger Prairie Health Care Center</u>	<u>Other Non-Major Proprietary Funds</u>	<u>Totals Current Year</u>	<u>Governmental Activities- Internal Service Funds</u>
\$ 5,873,989	\$ 1,838,108	\$ 29,823,767	\$ 6,259,580
-	-	4,013,684	-
-	-	5,075,262	-
17,390	-	213,556	16,037
<u>5,891,379</u>	<u>1,838,108</u>	<u>39,126,269</u>	<u>6,275,617</u>
9,883,849	547,454	24,424,690	1,732,318
2,982,039	88,757	8,726,094	291,435
-	-	7,002,769	-
-	-	-	2,073,119
1,018,931	518,722	4,295,464	1,646,098
218,730	182,932	6,750,554	212,479
<u>14,103,549</u>	<u>1,337,865</u>	<u>51,199,571</u>	<u>5,955,449</u>
<u>(8,212,170)</u>	<u>500,243</u>	<u>(12,073,302)</u>	<u>320,168</u>
-	-	3,839,659	-
2,321,619	-	4,002,762	-
-	-	677,744	212,304
(48,901)	(33,164)	(2,109,133)	(28,058)
-	-	1,548,204	-
-	-	309,815	-
-	(3,784)	(50,517)	-
<u>2,272,718</u>	<u>(36,948)</u>	<u>8,218,534</u>	<u>184,246</u>
(5,939,452)	463,295	(3,854,768)	504,414
-	-	9,259,802	-
5,214,332	-	7,242,692	-
-	(565,060)	(2,292,441)	(704,632)
<u>(725,120)</u>	<u>(101,765)</u>	<u>10,355,285</u>	<u>(200,218)</u>
<u>887,996</u>	<u>2,483,194</u>	<u>163,258,666</u>	<u>5,291,037</u>
<u>\$ 162,876</u>	<u>\$ 2,381,429</u>	<u>\$ 173,613,951</u>	<u>\$ 5,090,819</u>

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES For the Year Ended December 31, 2003

Business-Type Activities - Enterprise Funds

	Airport	Highway	Sanitary Landfill
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 12,253,581	\$ 13,177,600	\$ 6,618,713
Received from other funds	-	-	-
Customer deposits received	-	-	-
Paid to suppliers for goods and services	(1,745,142)	(7,903,868)	(4,593,232)
Paid to employees for services	(2,763,078)	(8,813,665)	(1,155,858)
Net Cash Flows From Operating Activities	7,745,361	(3,539,933)	869,623
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	2,028,360	-
Transfers out	-	(1,224,671)	(502,710)
Payment of other long-term debt	-	-	-
General property taxes	-	3,839,659	-
Intergovernmental grants	-	897,127	-
Advances from other funds	-	-	(188,452)
Net Cash Flows From Noncapital Financing Activities	-	5,540,475	(691,162)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on capital debt	(208,740)	(197,347)	-
Principal payments on capital lease	-	-	(167,950)
Capital debt issued	25,265,000	94,888	-
Bond premium	334,969	-	-
Interest paid on capital debt	(1,900,775)	(13,634)	-
Acquisition and construction of capital assets	(23,566,623)	(1,765,554)	(136,648)
Proceeds from sale of capital assets	-	350,984	-
Intergovernmental grants	-	774,016	-
Capital contributions	9,259,802	-	-
Net Cash Flows From Capital and Related Financing Activities	9,183,633	(756,647)	(304,598)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	600,312	-	77,433
Marketable securities purchased	-	-	(198,939)
Net Cash Flows From Investing Activities	600,312	-	(121,506)
Net Increase (Decrease) in Cash and Cash Equivalents	17,529,306	1,243,895	(247,643)
CASH AND CASH EQUIVALENTS - Beginning of Year	48,245,443	841,201	5,262,378
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 65,774,749	\$ 2,085,096	\$ 5,014,735

<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>Fund</u>		<u>Service Funds</u>
\$ 5,822,955	1,321,745	39,194,594	98,255
-	422,166	422,166	6,158,007
52,942	-	52,942	-
(4,036,905)	(393,778)	(18,672,925)	(4,281,567)
<u>(9,685,220)</u>	<u>(547,454)</u>	<u>(22,965,275)</u>	<u>(1,732,318)</u>
<u>(7,846,228)</u>	<u>802,679</u>	<u>(1,968,498)</u>	<u>242,377</u>
5,214,332	-	7,242,692	-
-	(565,060)	(2,292,441)	(704,632)
-	-	-	(130,000)
-	-	3,839,659	-
2,321,619	-	3,218,746	-
-	672	(187,780)	236,582
<u>7,535,951</u>	<u>(564,388)</u>	<u>11,820,876</u>	<u>(598,050)</u>
(262,172)	(86,264)	(754,523)	(489,644)
-	(10,517)	(178,467)	-
278,000	2,423,000	28,060,888	-
-	-	334,969	-
(48,901)	(4,005)	(1,967,315)	(28,058)
(169,115)	(99,373)	(25,737,313)	-
-	-	350,984	-
-	-	774,016	-
-	-	9,259,802	-
<u>(202,188)</u>	<u>2,222,841</u>	<u>10,143,041</u>	<u>(517,702)</u>
-	-	677,745	212,304
-	-	(198,939)	-
-	-	478,806	212,304
(512,465)	2,461,132	20,474,225	(661,071)
<u>979,298</u>	<u>277,055</u>	<u>55,605,375</u>	<u>7,278,032</u>
<u>\$ 466,833</u>	<u>\$ 2,738,187</u>	<u>\$ 76,079,600</u>	<u>\$ 6,616,961</u>

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND TYPES
 For the Year Ended December 31, 2003

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Airport</u>	<u>Highway</u>	<u>Sanitary Landfill</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 953,857	\$ (5,085,477)	\$ (229,755)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Non-operating income	-	-	10,000
Non-cash items included in operating income:			
Depreciation	4,516,612	889,530	942,750
Change in assets and liabilities			
Accounts receivable	169,341	(6,180)	(61,254)
Due from other funds	(288)	(228,733)	(74)
Due from other governments	-	496,410	-
Inventories	-	125,441	-
Prepaid items	(499)	50,765	20
Accounts payable	126,316	(385,425)	(153,015)
Accrued payroll and payroll taxes	-	(12,084)	2,355
Accrued compensated absences	177,579	145,393	62,025
Other accrued liabilities and deposits	90,106	(2,538)	-
Due to other governments	-	198,310	141,958
Due to other funds	1,712,337	2,735	53,446
Deferred revenue	-	271,920	-
Long-term care and postclosure care costs payable	-	-	101,167
Net Cash Flows From Operating Activities	<u>\$ 7,745,361</u>	<u>\$ (3,539,933)</u>	<u>\$ 869,623</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS			
Cash and investments - statement of net assets - proprietary fund	\$ 65,774,749	\$ 2,085,096	\$ 5,014,735
Restricted cash and investments - statement of net assets - proprietary fund	-	-	4,615,092
Non-cash equivalents	<u>-</u>	<u>-</u>	<u>(4,615,092)</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 65,774,749</u>	<u>\$ 2,085,096</u>	<u>\$ 5,014,735</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Interest charged to construction	\$ 1,548,204	\$ -	\$ -
Capital leases proceeds	-	-	223,934

<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>Fund</u>		<u>Service Funds</u>
\$ (8,212,170)	\$ 500,243	\$ (12,073,302)	\$ 320,168
-	-	10,000	-
218,730	182,932	6,750,554	212,479
(67,806)	(51,652)	(17,551)	(22,996)
(618)	(39)	(229,752)	(48)
-	(42,506)	453,904	3,689
3,879	6,988	136,308	-
-	-	50,286	-
(45,584)	102,551	(355,157)	(35,240)
55,170	(895)	44,546	1,546
198,629	18,647	602,273	14,335
1,872	-	89,440	(259,319)
2,121	4,435	346,824	36,514
(451)	81,975	1,850,042	(28,751)
-	-	271,920	-
-	-	101,167	-
<u>\$ (7,846,228)</u>	<u>\$ 802,679</u>	<u>\$ (1,968,498)</u>	<u>\$ 242,377</u>
\$ 419,208	\$ 2,738,187	\$ 76,031,975	\$ 6,616,961
47,625	-	4,662,717	-
-	-	(4,615,092)	-
<u>\$ 466,833</u>	<u>\$ 2,738,187</u>	<u>\$ 76,079,600</u>	<u>\$ 6,616,961</u>
\$ -	\$ -	\$ 1,548,204	\$ -
-	-	223,934	-

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2003

	Private Purpose Trusts	Agency Funds	Totals
ASSETS			
Cash and investments	\$ 216,515	\$ 6,730,031	\$ 6,946,546
Taxes receivable	-	7,603,035	7,603,035
Total Assets	<u>216,515</u>	<u>14,333,066</u>	<u>14,549,581</u>
LIABILITIES			
Accounts payable	-	6,450	6,450
Other accrued liabilities and deposits	-	2,406,042	2,406,042
Due to other governmental units	-	11,920,574	11,920,574
Total Liabilities	<u>-</u>	<u>14,333,066</u>	<u>14,333,066</u>
NET ASSETS			
Reserved for private purpose trust activities	<u>216,515</u>	<u>-</u>	<u>216,515</u>
Total Net Assets	<u>\$ 216,515</u>	<u>\$ -</u>	<u>\$ 216,515</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, 2003

	Private Purpose Trust Total
ADDITIONS	
Investment earnings	\$ 13,926
Total Additions	<u>13,926</u>
DEDUCTIONS	
Scholarships and Badger Prairie Health Care Center patient benefits	<u>2,065</u>
Total Deductions	<u>2,065</u>
Change in Net Assets	11,861
Net assets - beginning	<u>204,654</u>
Net Assets - Ending	<u>\$ 216,515</u>

See accompanying notes to financial statements.

COUNTY OF DANE

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COUNTY OF DANE

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COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

This report includes all of the funds of the County of Dane. The reporting entity for the County consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial to emphasize that it is legally separate from the government. This report does not contain any blended component units.

Discretely Presented Component Unit

Dane County Housing Authority

The government-wide financial statements include the Dane County Housing Authority ("Housing Authority") as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the County Executive. Wisconsin Statutes provide for circumstances whereby the County can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the County. See Note IV.L. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2003. Separately issued financial statements of the Dane County Housing Authority may be obtained from the Housing Authority's office, 2001 West Broadway, Suite 1, Monona, Wisconsin 53713-3707.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

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.

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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 major governmental funds:

- General – accounts for the County’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Human Services – accounts for resources legally restricted to supporting expenditures for the human services related programs.
- Debt Service – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- Capital Projects – used to account for financial resources to be used for the acquisition of equipment and/or major capital facilities.

The County reports the following major enterprise funds:

- Airport – accounts for operations and maintenance of the County’s airport
- Highway – accounts for funds used to maintain and improve roadways within the County’s jurisdiction
- Sanitary Landfill – accounts for operations and maintenance of a sanitary landfill serving as a solid waste disposal site for the entire County
- Badger Prairie Health Care – accounts for activity associated with the operations and maintenance of the county’s health care facility.

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

Fund Financial Statements (cont.)

In addition, the County reports the following fund types:

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

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

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

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

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

Government-Wide Financial Statements

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

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

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.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

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

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. The agency funds only present a statement of net assets since they do not have a measurement focus.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

Fund Financial Statements (cont.)

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport, Highway, Sanitary Landfill, Badger Prairie Health Care Center, Printing and Services, and Methane Gas are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

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

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

1. Deposits and Investments (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund, 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, 2003, the fair value of the County's share of the LGIPs assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

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 – 2003 tax roll:

Lien date and levy date	December 2003
Tax bills mailed	December 2003
Payment in full, or	January 31, 2004
First installment due	January 31, 2004
Second installment due	July 31, 2004
Personal property taxes in full	January 31, 2004
Tax sale – 2003 delinquent real estate taxes	October 2006

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

2. Receivables (cont.)

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

The portion of County property taxes receivable at December 31, 2003, which relates to taxes initially levied by other municipalities and uncollected within sixty days after year-end, has been reflected in the accompanying financial statements as a reservation of fund balance of the general fund in the amount of \$3,640,377.

The County has a .5% sales tax which is collected by the State of Wisconsin. Total revenues of \$39,121,543 from this tax for the 2003 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".

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

2. Receivables (cont.)

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.

3. Inventories and Prepaid Items

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

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, 2003 consist of patient trust funds which are not legally available to the County to finance current operations. Restricted assets included in the Sanitary Landfill Enterprise fund at December 31, 2003 represents deposits with the State of Wisconsin Department of Natural Resources for long-term care and closure costs of landfill sites.

Deposit with Wisconsin Municipal Mutual Insurance Company

Refer to Note V.B.

5. Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets. The County will capitalize infrastructure if it exceeds the following thresholds: 1) Roads - 25% of the county's definition of a segment, 2) Bridges - over 20 feet, and 3) Culverts - over 10 feet. The County is also capitalizing all traffic signals. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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. \$1,548,204 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 fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

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.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

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

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

7. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2003 are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

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

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

The County does not engage in conduit debt transactions.

9. Claims and Judgments

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

10. Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “some liabilities, including long-term debt are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$163,578,974 difference in liabilities is as follows:

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

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

Bonds and notes payable	\$ 133,257,013
Compensated absences	27,031,107
Capital lease obligations	72,170
Claims and judgments	140,000
Other long-term liabilities	230,350
Accrued interest	1,525,422
Unamortized debt discount, premium and issue costs	<u>1,322,912</u>
 Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	 <u>\$ 163,578,974</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 \$7,525,762 difference is as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (41,255,219)
Capital lease financing	(57,466)
Principal repayments:	
General obligation debt	14,934,923
Capital lease	51,328
Payoff of pension liability	<u>18,800,672</u>
 Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	 <u>\$ (7,525,762)</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

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

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

<u>Fund</u>	<u>Amount</u>
General	\$ 12,347,193
Human Services	5,175,519
Capital Projects	32,385,743
Board of Health	836,077
Library	24,000
Land Information	881,161
HOME	540,000
Bridge Aid	14,085
	<u>\$ 52,203,778</u>

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

A. BUDGETARY INFORMATION (cont.)

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.

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 2004 at December 31, 2003, 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	\$	393,236
Special Revenue Fund - Human Services		186,785
Special Revenue Fund - Land Information		353,690
Special Revenue Fund - Bridge Aid		20,620
Capital Projects Fund - Capital Projects		4,591,349

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, 2003:

		<u>Excess</u>
Major Fund		
Debt Service Fund	\$	28,464,190

C. DEFICIT BALANCES

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

As of December 31, 2003, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue Fund - HOME	\$ 4,075	Grants not sufficient to cover expenditures

It is anticipated that future grant revenues will provide sufficient funding to eliminate the deficit.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

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

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

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

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

The County is in compliance with the limitation.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

Petty cash and cash on hand	\$ 397,073
Deposits	8,459,841
Investments	<u>158,769,429</u>
Total Cash and Investments	<u>\$ 167,626,343</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

A. DEPOSITS AND INVESTMENTS (cont.)

Per statement of net assets – cash and investments	\$ 156,017,080
Per statement of net assets – restricted assets – cash and investments	4,662,717
Fiduciary funds – cash and investments	<u>6,946,546</u>
Total	<u>\$ 167,626,343</u>

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

DEPOSITS

At year-end the carrying amount of the County's deposits was \$8,459,841 and the bank balance was \$11,039,841. The difference between the carrying amount and the bank balance represents outstanding checks and deposits in transit.

Of the bank balance, \$6,167,766 was covered by federal and state depository insurance and \$4,872,075 was uninsured and uncollateralized. Fluctuating cash flows during the year may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

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

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

INVESTMENTS

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

A. DEPOSITS AND INVESTMENTS (cont.)

INVESTMENTS (cont.)

	Category		Totals	Carrying
	2	3		Amount/ Fair Value
U.S. government securities	\$ 4,615,092	\$ 27,882,581	\$ 32,497,673	\$ 32,497,673
Repurchase agreements	-	4,259,525	4,259,525	4,259,525
Sub-Totals	<u>\$ 4,615,092</u>	<u>\$ 32,142,106</u>	<u>\$ 36,757,198</u>	36,757,198
Local government investment pool				121,918,344
Madison Community Foundation – pooled funds				<u>93,887</u>
Total Investments				<u>\$ 158,769,429</u>

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

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

The Madison Community Foundation (“the Foundation”) is a community endowment fund. The Foundation is not registered with the Securities and Exchange Commission. It constitutes a contractual agreement between the County and the Foundation with respect to investment of County assets. The Foundation reports the fair value of its underlying assets annually. At December 31, 2003, the fair value of the Foundation’s assets was substantially equal to the County’s share as reported above.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

B. RECEIVABLES

Receivable Summary

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

	General	Human Services	Debt Service	Capital Projects	Airport	Highway	Sanitary Landfill	Badger Prairie Health Care Center	Nonmajor and other funds	Total
Receivables:										
Taxes	\$ 76,278,763	\$ -	\$ 10,743,151	\$ -	\$ -	\$ 3,840,241	\$ -	\$ -	\$ 6,594,263	\$ 97,456,418
Delinquent taxes	6,439,159	-	-	-	-	-	-	-	-	6,439,159
Accounts	2,058,789	1,242,434	-	98,548	1,074,984	10,118	462,323	692,195	1,019,153	6,658,544
Loans	-	-	-	-	-	-	-	-	2,229,338	2,229,338
Other	1,879,726	-	-	-	-	-	-	-	-	1,879,726
Due from other governments	9,425,314	1,485,779	-	-	-	1,838,223	-	-	325,581	13,074,897
Gross receivables	96,081,751	2,728,213	10,743,151	98,548	1,074,984	5,688,582	462,323	692,195	10,168,335	127,738,082
Less: Allowance for Uncollectibles	-	-	-	-	-	-	-	(1,331)	-	(1,331)
Net Total Receivables	\$ 96,081,751	\$ 2,728,213	\$ 10,743,151	\$ 98,548	\$ 1,074,984	\$ 5,688,582	\$ 462,323	\$ 690,864	\$ 10,168,335	\$ 127,736,751
Amounts not expected to be collected within one year	\$ 1,241,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,423,431	\$ 3,664,781

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

B. RECEIVABLES (cont.)

Uncollectible Amounts

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

Uncollectibles related to Badger Prairie Health Care Center \$ 1,331

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	\$ -	\$ 93,616,177	\$ 93,616,177
County portion of tax certificates (including interest)	-	1,687,820	1,687,820
Loans receivable	2,229,338	-	2,229,338
Long-term receivable	2,048,243	-	2,048,243
Donations	-	199,826	199,826
	<u>-</u>	<u>199,826</u>	<u>199,826</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 4,277,581</u>	<u>\$ 95,503,823</u>	<u>\$ 99,781,404</u>

Taxes

At December 31, 2003, current and delinquent taxes and related interest and penalties receivable by year of tax levy were as follows:

	<u>Current*</u>	<u>Delinquent</u>	<u>Total</u>
2003	\$ 97,456,418	\$ -	\$ 97,456,418
2002	-	3,827,197	3,827,197
2001	-	1,644,609	1,644,609
2000	-	701,188	701,188
1999	-	153,180	153,180
1998 and prior	-	112,985	112,985
	<u>-</u>	<u>112,985</u>	<u>112,985</u>
Total	<u>\$ 97,456,418</u>	<u>\$ 6,439,159</u>	<u>\$ 103,895,577</u>

*this includes governmental and business-type activities.

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 County will receive \$500,000 adjusted by the consumer price index for the next three years. The receivable balance of \$1,862,025 is offset by deferred revenue. Payments will be received annually but revenues will be recognized on a monthly basis with the balance deferred.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

C. RESTRICTED ASSETS

Restricted assets of \$47,625 included in the Badger Prairie Health Care Center enterprise fund at December 31, 2003 consist of patient trust funds which are not legally available to the County to finance current operations. Restricted assets of \$4,615,092 included in the Sanitary Landfill enterprise fund at December 31, 2003 represents deposits with the State of Wisconsin Department of Natural Resources for long-term care and closure costs of landfill sites.

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003 was as follows:

	Beginning Balance <u>(As restated)</u>	Additions ⁽²⁾	Deletions	Adjust- ments ⁽³⁾	Ending Balance
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 43,492,553	\$ 4,143,079	\$ -	\$ -	\$ 47,635,632
Land improvements ⁽¹⁾	24,289,600	996,800	-	-	25,286,400
Construction in progress	<u>17,262,756</u>	<u>11,598,497</u>	<u>8,650,750</u>	<u>-</u>	<u>20,210,503</u>
 Total Capital Assets Not Being Depreciated	 <u>85,044,909</u>	 <u>16,738,376</u>	 <u>8,650,750</u>	 <u>-</u>	 <u>93,132,535</u>
Capital Assets Being Depreciated:					
Land improvements	8,466,137	378,003	-	-	8,844,140
Buildings	98,032,348	5,691,532	-	-	103,723,880
Zoo animals	313,580	-	-	-	313,580
Machinery and equipment	16,337,707	1,211,086	344,518	-	17,204,275
Roadways – infrastructure	64,053,947	5,009,667	-	476,399	69,540,013
Bridges – infrastructure	6,388,520	115,751	11,200	-	6,493,071
Traffic signals – infrastructure	2,849,381	347,682	-	-	3,197,063
Culverts – infrastructure	<u>1,521,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,521,900</u>
Total Other Capital Assets Being Depreciated	<u>197,963,520</u>	<u>12,753,721</u>	<u>355,718</u>	<u>476,399</u>	<u>210,837,922</u>
 Total Capital Assets at Historical Cost	 <u>283,008,429</u>	 <u>29,492,097</u>	 <u>9,006,468</u>	 <u>476,399</u>	 <u>303,970,457</u>

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

⁽²⁾ \$719,871 of the current year additions represent infrastructure assets contributed by other local and state governments. This is reflected as capital grants and contributions on the public works line item on the statement of activities. The assets are shown on the statement of net assets in the governmental activities column.

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance (As restated)	Additions	Deletions	Adjust- ments ⁽¹⁾	Ending Balance
Less: Accumulated Depreciation for:					
Land improvements	\$ 3,985,062	\$ 280,145	\$ -	\$ -	\$ 4,265,207
Buildings	31,230,826	2,437,074	-	-	33,667,900
Zoo animals	103,629	15,506	-	-	119,135
Machinery and equipment	12,050,363	1,073,370	547,551	-	12,576,182
Roadways	20,778,065	2,478,403	-	476,399	23,732,867
Bridges	2,272,400	128,271	11,200	-	2,389,471
Traffic signals	712,730	73,253	-	-	785,983
Culverts	838,940	30,000	-	-	868,940
Total Accumulated Depreciation	<u>71,972,015</u>	<u>6,516,022</u>	<u>558,751</u>	<u>476,399</u>	<u>78,405,685</u>
Net Capital Assets	<u>\$ 211,036,414</u>				<u>\$ 225,564,772</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 441,200
Human services	220,745
Public safety	1,314,570
Public works, which includes the depreciation of roadways, bridges, traffic signals, and culverts	2,819,444
Culture, education, and recreation	1,694,673
Conservation and economic development	25,390
Total Governmental Activities Depreciation Expense	<u>\$ 6,516,022</u>

	Beginning Balance	Additions	Deletions	Adjust- ments ⁽²⁾	Ending Balance
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 29,812,437	\$ -	\$ 402,811	\$ (358,120)	\$ 29,051,506
Construction in progress	24,284,959	24,761,085	20,631,821	(1,363,679)	27,050,544
Total Capital Assets Not Being Depreciated	<u>54,097,396</u>	<u>24,761,085</u>	<u>21,034,632</u>	<u>(1,721,799)</u>	<u>56,102,050</u>
Capital Assets Being Depreciated:					
Land improvements	85,532,400	15,132,420	-	1,398,359	102,063,179
Buildings	40,663,833	6,750,002	265,949	-	47,147,886
Machinery and equipment	31,521,633	2,373,733	1,142,576	-	32,752,790
Total Capital Assets Being Depreciated	<u>157,717,866</u>	<u>24,256,155</u>	<u>1,408,525</u>	<u>1,398,359</u>	<u>181,963,855</u>
Total Capital Assets at Historical Cost	<u>211,815,262</u>	<u>49,017,240</u>	<u>22,443,157</u>	<u>(323,440)</u>	<u>238,065,905</u>

⁽¹⁾ These represent adjustments to previously omitted assets and to previously recorded depreciation on items reclassified to governmental activities in prior years.

⁽²⁾ This represents an adjustment to record previously omitted assets and adjust for a change in useful lives.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Adjust- ments ⁽³⁾	Ending Balance
Business-Type Activities (cont.)					
Less: Accumulated Depreciation for:					
Land improvements	\$ 37,284,863	\$ 3,743,545	\$ -	\$ -	\$ 41,028,408
Buildings	14,323,917	1,099,294	164,891	-	15,258,320
Machinery and equipment	17,954,532	1,907,715	680,877	(11,538)	19,169,832
Total Accumulated Depreciation	<u>69,563,312</u>	<u>6,750,554</u>	<u>845,768</u>	<u>(11,538)</u>	<u>75,456,560</u>
Net Capital Assets	<u>\$ 142,251,950</u>				<u>\$ 162,609,345</u>

⁽¹⁾ These represent adjustments to previously omitted assets and to previously recorded depreciation on items reclassified to governmental activities in prior years.

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

Depreciation expense was charged to functions as follows:

Business-Type Activities

Airport	\$ 4,516,612
Highway	889,530
Sanitary Landfill	942,750
Badger Prairie Health Care Center	218,730
Printing and services	41,439
Methane gas	<u>141,493</u>
Total Business-Type Activities	
Depreciation Expense	<u>\$ 6,750,554</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
General Fund	Special Revenue – Human Services	\$ 21
	Special Revenue – Board of Health	2
	Special Revenue – HOME	175,708
	Special Revenue – Scheidegger Trust Fund	115,000
	Enterprise – Airport	9
	Enterprise – Highway	42
	Enterprise – Sanitary Landfill	4
	Enterprise – Badger Prairie Health Care Center	14
	Enterprise – Printing and Services	81,738
	Internal Service – Employee Benefits	4,375
	Special Revenue – Human Services	Internal Service – Employee Benefits
Special Revenue – Board of Health	Internal Service – Employee Benefits	351
Special Revenue – Library	Internal Service – Employee Benefits	74

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

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

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

Interfund Receivables/Payables (cont.)

Receivable Fund	Payable Fund	Amount
Debt Service	General	\$ 28,767
	Special Revenue – Human Services	7,664
	Special Revenue – Board of Health	1,382
	Special Revenue – Library	175
	Special Revenue – Land Information	127
	Enterprise – Airport	1,292
	Enterprise – Highway	2,693
	Enterprise – Sanitary Landfill	322
	Enterprise – Badger Prairie Health Care Center	3,337
	Enterprise – Printing and Services	157
	Enterprise – Methane Gas	22
	Internal Service – Firearms Training Center	15
	Internal Service – Consolidated Food Service	556
	Enterprise – Airport	Internal Service – Employee Benefits
Enterprise – Highway	General	53,058
	Special Revenue – Human Services	2,968
	Special Revenue – Board of Health	72
	Special Revenue – Library	517
	Capital Projects	178,122
	Enterprise – Airport	38
	Enterprise – Sanitary Landfill	54,844
	Enterprise – Badger Prairie Health Care Center	274
	Enterprise – Printing and Services	1,835
	Internal Service – Employee Benefits	688
	Internal Service – Consolidated Food Service	596
Enterprise – Sanitary Landfill	Internal Service – Employee Benefits	74
Enterprise – Badger Prairie	Internal Service – Employee Benefits	618
Enterprise – Printing and Services	Internal Service – Employee Benefits	39
Internal Service – Consolidated Food Service	Internal Service – Employee Benefits	48
Total – Fund Financial Statements		719,952
Less: eliminations		(393,282)
Total Government-Wide Financial Statements		<u>\$ 326,670</u>
Governmental Activities	Business-Type Activities	\$ 89,630
Business-Type Activities	Governmental Activities	237,040
		<u>\$ 326,670</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

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

Interfund Receivables/Payables (cont.)

The principal purpose of the general fund and highway receivables is to cover cash shortages and to record the billing amounts due from other funds for services provided, respectively.

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

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General	Internal Service – Consolidated Foods	\$ 48,802	\$ 48,802
Enterprise – Printing and Services	Internal Service – Consolidated Foods	194,093	194,093
Enterprise – Sanitary Landfill	Internal Service –Firearms Training Center	<u>1,260,575</u>	<u>1,260,575</u>
Totals – Fund Financial Statements		1,503,470	<u>\$ 1,503,470</u>
Less: elimination		<u>(48,802)</u>	
Total		<u>\$ 1,454,668</u>	
Business-Type Activities	Governmental Activities	<u>\$ 1,454,668</u>	

The principal purpose of these interfund advances is to provide cash until the funds are able to generate sufficient revenues to cover expenditures. As a result of the 2004 budget process, the firearms training center advance will be forgiven.

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, 2003

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

E. INTERFUND RECEIVABLES/PAYABLES 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	Special Revenue – CDBG	\$ 83,929	Cost reimbursement.
General	Enterprise – Sanitary Landfill	502,710	Transfer land sale proceeds.
General	Enterprise – Printing and Services	119,404	Transfer income.
General	Enterprise – Methane Gas	445,656	Annual transfer of methane gas fund's net income to general fund.
General	Internal Services – Employee benefits	510,000	Insurance settlement proceeds.
General	Internal Services – Consolidated Foods	194,632	Transfer current net income.
Special Revenue – Human services	General	47,157,318	Transfer tax subsidy.
Debt service	General	1,957,604	Transfer debt service payments.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

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

Transfers (cont.)

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Debt service	Enterprise – Highway	\$ 1,224,6711	Transfer funds for infrastructure debt payment.
Capital projects	General	42,4255	Cost reimbursement.
Enterprise – Highway	General	2,028,360	To transfer debt proceeds to be used for infrastructure.
Enterprise – Badger Prairie health care center	General	<u>5,214,332</u>	Transfer tax subsidy.
Total Transfers – Fund Financial Statements		59,481,041	
Eliminate interfund activity		(54,530,790)	
Reclassify infrastructure costs paid by highway enterprise fund		<u>(2,231,925)</u>	
Total – Government-Wide Financial Statements		<u>\$ 2,718,326</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, 2003

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2003 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt					
General	\$ 106,936,717	\$ 41,255,219	\$ 14,934,923	\$ 133,257,013	\$ 9,863,376
Internal service	1,082,272	-	489,644	592,628	469,512
Add/(Subtract) Deferred Amounts For:					
Premium on debt	642,567	1,354,604	-	1,997,171	-
Discount on debt	<u>(48,371)</u>	<u>-</u>	<u>-</u>	<u>(48,371)</u>	<u>-</u>
Sub-total	<u>108,613,185</u>	<u>42,609,823</u>	<u>15,424,567</u>	<u>135,798,441</u>	<u>10,332,888</u>
Other Liabilities:					
Vested compensated absences - general	25,055,836	4,657,434	2,682,163	27,031,107	7,141,623
Vested compensated absences - internal services	180,141	86,776	72,440	194,477	79,846
Unfunded pension liability	18,800,672	-	18,800,672	-	-
Claims and judgments (Note V.C.) - general	210,000	-	70,000	140,000	70,000
Claims and judgments (Note V.C.) - internal services	390,000	-	130,000	260,000	130,000
Disability benefits (Note V.C.)	237,780	-	7,430	230,350	10,615
Capital leases (Note IV.G.)	<u>66,032</u>	<u>57,466</u>	<u>51,328</u>	<u>72,170</u>	<u>46,225</u>
Total Other Liabilities	<u>44,940,461</u>	<u>4,801,676</u>	<u>21,814,033</u>	<u>27,928,104</u>	<u>7,478,309</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 153,553,646</u>	<u>\$ 47,411,499</u>	<u>\$ 37,238,600</u>	<u>\$ 163,726,545</u>	<u>\$ 17,811,197</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt	\$ 31,240,533	\$ 28,060,888	\$ 514,659	\$ 58,786,762	\$ 604,143
Add Deferred Amounts For:					
Premiums on Debt	<u>2,188,464</u>	<u>640,205</u>	<u>309,815</u>	<u>2,518,854</u>	<u>-</u>
Sub-total	<u>33,428,997</u>	<u>28,701,093</u>	<u>824,474</u>	<u>61,305,616</u>	<u>604,143</u>
Other Liabilities:					
Vested compensated absences	4,810,083	1,244,193	552,066	5,502,210	1,672,066
Long-term care and postclosure care costs payable (Note IV.H.)	4,359,295	147,806	46,640	4,460,461	46,640
Other notes payable	339,034	-	239,864	99,170	32,072
Capital leases (Note IV.G.)	<u>21,605</u>	<u>223,934</u>	<u>178,467</u>	<u>67,072</u>	<u>67,072</u>
Total Other Liabilities	<u>9,530,017</u>	<u>1,615,933</u>	<u>1,017,037</u>	<u>10,128,913</u>	<u>1,817,850</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 42,959,014</u>	<u>\$ 30,317,026</u>	<u>\$ 1,841,511</u>	<u>\$ 71,434,529</u>	<u>\$ 2,421,993</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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, 2003, was \$1,734,841,255. Total general obligation debt outstanding at year end was \$192,636,403.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-03</u>
Governmental Activities					
General Obligation Debt:					
2003 State Trust Fund Loan	12/12/03	03/15/05	2.75%	\$ 496,108	\$ 496,108
General Obligation Bonds, Series 2003A	06/26/03	06/01/23	2.00-5.00%	28,480,000	28,480,000
General Obligation Promissory Notes, Series 2003C	06/26/03	06/01/23	2.00-3.30%	12,279,112	12,279,112
General Obligation Bonds, Series 2002A	12/01/02	06/01/22	3.00-5.00%	29,922,618	27,364,528
Taxable General Obligation Bonds, Series 2002C	12/01/02	12/01/22	1.75-5.85%	14,175,000	14,030,000
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	1,776,120
General Obligation Corporate Purpose Bonds, Series 2001B	03/29/01	09/01/21	4.00-5.00%	3,030,000	2,825,000
General Obligation Refunding Promissory Notes, Series 2001C	03/29/01	09/01/21	4.125-43.75%	9,551,856	4,445,809
General Obligation Corporate Purpose Bonds, Series 2000	11/09/00	09/01/20	5.00-5.50%	11,725,000	10,745,000
General Obligation Promissory Notes, Series 1999	08/01/99	06/01/09	4.30-4.625%	3,714,300	2,541,370
General Obligation Promissory Notes, Series 1998A	06/15/98	06/01/08	4.20-4.40%	4,770,000	2,606,300
General Obligation Promissory Notes, Series 1998B	09/01/98	03/01/14	4.10-4.50%	19,965,000	19,255,000
1997 State Trust Fund Loan	01/22/97	03/15/06	5.75%	420,000	165,294
General Obligation Corporate Purpose Bonds, Series 1994A	09/01/94	03/01/14	5.10-5.70%	12,250,000	570,000
General Obligation Corporate Purpose Bonds, Series 1994B	09/01/94	03/01/14	5.00-6.75%	17,800,000	<u>1,300,000</u>
Total Governmental Activities – General Obligation Debt					<u>\$ 133,849,641</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-03</u>
Business-Type Activities					
General Obligation Debt:					
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	2,795,888
General Obligation Bonds, Series 2002A	12/01/02	06/01/22	3.00-5.00%	202,382	160,473
General Obligation Bonds, Series 2002B	12/01/02	06/01/14	5.00%	29,445,000	29,445,000
General Obligation Promissory Notes, Purpose Bonds, Series 2001A	09/01/01	03/01/11	4.00-4.30%	300,500	248,880
General Obligation Refunding Promissory Notes, Series 2001C	03/29/01	09/01/21	4.125-4.375%	258,144	119,191
General Obligation Promissory Notes, Series 1999	08/01/99	06/01/09	4.30-4.625%	1,035,700	708,630
General Obligation Promissory Notes, Series 1998A	06/15/98	06/01/08	4.20-4.40%	80,000	43,700
Total Business-Type Activities General Obligation Debt					<u>\$ 58,786,762</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-Type Activities General Obligation Debt</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2004	\$ 10,332,888	\$ 6,228,458	\$ 604,143	\$ 2,701,829	\$ 19,867,318
2005	11,601,604	5,262,278	3,124,553	2,590,860	22,579,295
2006	9,478,362	4,880,479	3,139,853	2,445,391	19,944,085
2007	8,552,035	4,559,015	3,187,965	2,297,964	18,596,979
2008	8,195,397	4,247,321	3,219,603	2,147,040	17,809,361
2009 – 2013	40,024,355	16,551,748	21,740,645	8,093,690	86,410,438
2014 – 2018	23,135,000	8,927,985	12,680,000	3,669,775	48,412,760
2019 – 2023	22,530,000	2,817,318	11,090,000	1,357,788	37,795,106
Totals	<u>\$ 133,849,641</u>	<u>\$ 53,474,602</u>	<u>\$ 58,786,762</u>	<u>\$ 25,304,337</u>	<u>\$ 271,415,342</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Notes Payable - Business-Type Activities

Notes payable at December 31, 2003 consist of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-03</u>
Business-Type Activities Notes Payable					
Alliant Energy loan	11/20/01	12/31/06	3%	\$ 160,500	\$ 99,170
Total Business-type Activities – Other Notes Payable					<u>\$ 99,170</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>
2004	\$ 32,072	\$ 2,536
2005	33,047	1,561
2006	<u>34,051</u>	<u>557</u>
Totals	<u>\$ 99,170</u>	<u>\$ 4,654</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.

The County paid its pension liability off in 2003.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

G. LEASE DISCLOSURES

Lessee – Capital Leases

In current and prior years, the County acquired fixed assets through lease/purchase agreements. The gross amount of these assets under capital leases is \$405,857. \$148,628 and \$257,229 are presented in the fixed assets in the governmental and business type activities, respectively. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2003, are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
2004	\$ 49,975	\$ 67,674
2005	23,767	-
2006	<u>3,713</u>	<u>-</u>
Sub-Total		
Less: Amount representing interest	<u>(5,285)</u>	<u>(602)</u>
Present Value of Minimum Lease Payments	<u>\$ 72,170</u>	<u>\$ 67,072</u>

Lessee – Operating Leases

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

Lessor – Airport Leases

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

Future minimum lease payments to be received under noncancellable operating leases as of December 31, 2003, are as follows:

<u>Year Ending December 31,</u>	
2003	\$ 1,655,968
2004	1,487,534
2005	1,212,411
2006	1,212,411
2007	920,161
Thereafter	<u>51,621,229</u>
Total Future Minimum Rentals	<u>\$ 58,109,714</u>

The amounts above do not include contingent rentals based on usage or sales dollars which may be received under certain leases. Contingent rentals approximated \$4,998,231 for the year ended December 31, 2003.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

H. CLOSURE AND POSTCLOSURE CARE COST

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

The \$4,227,261 reported as landfill closure and postclosure care liability at December 31, 2003 for the Rodefild landfill, represents the cumulative amount reported to date based on the use of 72.93 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,569,066 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2003. 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 \$233,200 reported as landfill postclosure care costs payable at December 31, 2003 for the Verona landfill represents the costs to be incurred for postclosure care on this closed landfill. The County closed the landfill in the year 1988. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at December 31, 2003 deposits with the Wisconsin Department of Natural Resources of \$4,615,092, which approximates fair market value, are held for the Rodefild and Verona landfills for these purposes. These are reported as restricted assets on the statement of net assets. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

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

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

Governmental and business-type activities net assets reported on the government wide statement of net assets at December 31, 2003 includes the following:

Governmental Activities

Invested in capital assets, net of related debt		
Land	\$	47,635,632
Construction in progress		20,210,503
Other capital assets, net of accumulated depreciation		157,718,637
Less: related long-term debt outstanding, premium, discount, and issuance costs	\$	116,244,722
excluding unspent bond proceeds		<u>(38,613,288)</u>
Total Invested in Capital Assets		<u>147,933,338</u>
Restricted		
Nonmajor funds:		
Board of health		245,945
Library		116,701
Land information		1,794,225
Bridge aid		36,085
CDBG business loan		18,495
Commerce revolving loan		46,885
Scheidegger trust fund		<u>420,163</u>
Total Restricted		<u>2,678,499</u>
Unrestricted (deficit)		<u>(17,769,595)</u>
Total Governmental Activities Net Assets	\$	<u>132,842,242</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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, 2003 include the following:

Major Funds	Reserved							Trust	Total	
	Encumbrances	Prepays	Delinquent Taxes	Long-Term Receivables	Advances	Debt Service	Purposes			
General Fund	\$ 1,306,834	\$ 22,342	\$ 3,640,377	\$ 403,842	\$ 48,802	\$ -	\$ -	\$ 3,207,856	\$ 11,644,893	\$ 20,274,946
Human Services	104,876	16,883	-	-	-	-	-	186,784	-	308,543
Debt Service	-	-	-	-	-	3,004,425	-	-	-	3,004,425
Capital Projects	21,103,003	-	-	-	-	-	-	17,020,052	-	38,123,055
<u>Non-Major Funds</u>										
Board of Health	45,616	-	-	-	-	-	-	245,945	-	291,561
Library	-	-	-	-	-	-	-	116,701	-	116,701
Land Information	407,383	-	-	-	-	-	-	1,794,225	-	2,201,608
Bridge Aid	-	-	-	-	-	-	-	36,085	-	36,085
CDBG Loans	-	-	-	-	-	-	-	18,495	-	18,495
HOME	-	-	-	-	-	-	-	-	(4,075)	(4,075)
Commerce – Revolving Loan	-	-	-	-	-	-	-	46,885	-	46,885
Scheidegger Trust	-	-	-	-	-	-	-	-	-	420,163
<u>Total</u>	\$ 22,967,712	\$ 39,225	\$ 3,640,377	\$ 403,842	\$ 48,802	\$ 3,004,425	\$ 420,163	\$ 22,673,028	\$ 11,640,818	\$ 64,838,392

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

Tax deed sales	\$ 35,609
Fund balance applied	1,940,854
Alliant Energy Center	838,157
Carry forwards to 2004	393,236
<u>Total</u>	<u>\$ 3,207,856</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

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

Business-Type Activities

Invested in capital assets, net of related debt	
Land	\$ 29,051,506
Construction in progress	27,050,544
Other capital assets, net of accumulated depreciation	106,507,295
Less: related long-term debt outstanding, premium, discount, and issuance costs (excluding unspent capital related debt proceeds)	<u>(26,343,678)</u>
Total Invested in Capital Assets	<u>136,265,667</u>
Restricted	
Sanitary landfill:	
Long-term care costs	<u>154,631</u>
Unrestricted	<u>37,193,653</u>
Total Business-Type Activities Net Assets	<u>\$ 173,613,951</u>

J. RESTATEMENT OF NET ASSETS/FUND BALANCES

Net assets has been restated in the Governmental Activities due to the county's unfunded pension liability not being recorded in the prior year. Infrastructure capitalized in the prior year under a cost sharing agreement should not have been made as well as capital assets previously omitted. In addition, a portion of compensated absences were not recorded in the prior year.

Net Assets – Governmental Activities

December 31, 2002 (as reported)	\$ 141,617,867
Less: Unfunded pension liability	(18,800,672)
Less: Infrastructure capitalized in prior year	(2,549,415)
Less: Compensated absences not recorded	(2,136,589)
Plus: Capital assets previously omitted	8,900,753
Plus: Reclassification of deferred revenue	<u>25,406</u>
Net Assets – January 1, 2002 (as restated)	<u>\$ 127,057,350</u>

Fund balance in the CDBG – special revenue fund has been restated due to a revenue recognized in a prior year that should have been deferred.

Fund Balance – Other Governmental Funds

Fund Balance - December 31, 2002 (as reported)	\$ 3,707,835
Less: Reclassification of revenue to deferred revenue	<u>(1,121,778)</u>
Net Assets – January 1, 2003 (as restated)	<u>\$ 2,586,057</u>

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

K. SIGNIFICANT TRANSACTIONS OR EVENTS

The county paid off its unfunded pension liability with the Wisconsin Retirement System in 2003 from bond proceeds received in the prior year. The amount was \$18,800,672. Future interest payments on the debt will be allocated to benefiting departments over the term of the bonds.

There are no known material extraordinary items for the year ended December 31, 2003.

L. COMPONENT UNIT

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At year end, the carrying amount of the Authority's deposits was \$957,811 and the bank balance was \$969,700 which was covered by federal depository insurance or by collateral held by the Authority or its agent in the Authority's name. The Authority's investments are categorized in the following categories based on the descriptions used in Note IV. A.

	<u>Category</u>			<u>Totals</u>	<u>Carrying Amount/ Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Total deposits	<u>\$ 299,399</u>	<u>\$ 670,301</u>	<u>\$ -</u>	<u>\$ 969,700</u>	\$ 957,811
Local government investment pool					<u>23,344</u>
Total Deposits and Investments					<u>\$ 981,155</u>
Unrestricted					\$ 550,703
Restricted					<u>430,452</u>
Total Cash and Investments					<u>\$ 981,155</u>

c. Section 8 Funding

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

L. COMPONENT UNIT (cont.)

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, 2003 has not been determined.

e. Notes Receivable

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

Notes receivable and activity therein consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Community Development				
Block Grant				
1976 Homeowners	\$ 74,320	\$ -	\$ 6,316	\$ 68,004
1982 Homeowners	129,731	-	6,598	123,133
1982 Habitat for Humanity	49,600	-	14,400	35,200
HUD Section 17 Rental Rehab	<u>28,550</u>	<u>-</u>	<u>3,758</u>	<u>24,792</u>
Notes Receivable	<u>\$ 282,201</u>	<u>\$ -</u>	<u>\$ 31,072</u>	<u>\$ 251,129</u>

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	\$ 1,137,721	\$ -	\$ -	\$ 1,137,721	N/A
Buildings	5,771,410	53,194	-	5,824,604	27.5
Equipment	<u>149,124</u>	<u>-</u>	<u>-</u>	<u>149,124</u>	5-15
Property and equipment	7,058,255	53,194	-	7,111,449	
Less: Accumulated depreciation	<u>(4,160,755)</u>	<u>(323,957)</u>	<u>-</u>	<u>(4,484,712)</u>	
Property and equipment – net	<u>\$ 2,897,500</u>	<u>\$ (270,763)</u>	<u>\$ -</u>	<u>\$ 2,626,737</u>	

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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

L. COMPONENT UNIT (cont.)

g. Long-Term Obligations

Notes payable at December 31, 2003 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 2003 were \$28,907. Interest expense was as follows for 2003:

Base amount required by loan agreement	\$ 18,836
Excess rents applied to interest	<u>-</u>
Amount paid by DCHA	18,836
U.S. government interest subsidy	<u>18,836</u>
Interest expense	<u>\$ -</u>

Future principal payments are as follows:

2004	\$ 32,252
2005	35,984
2006	40,148
2007	44,794
2008	<u>2,139</u>
Total	<u>\$ 155,317</u>

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, 2003 was \$187,000. The loan is non-interest-bearing, and no payments are required until the properties are sold. Based on past experience with CDBG in similar circumstances, management of DCHA has determined that were these properties to be sold, the proceeds would most likely be used by DCHA to support other activities in the Major Rehabilitation CDBG Fund. Therefore, the revolving loan balance has been included in the restricted net assets of this fund.

i. Employee Retirement System

All eligible DCHA employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer public employee retirement system. All permanent employees expected to work over 600 hours per year are eligible to participate in WRS. Covered employees are required by statute to contribute 5.0% of their salary to the Plan for 2003. Employers may make these contributions to the Plan on behalf of the employees.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

L. COMPONENT UNIT (cont.)

i. Employee Retirement System (cont.)

Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits. For 2003, the payroll for DCHA employees covered by the system was \$460,314; the employer's total payroll was \$460,314. The total required contribution for 2003 was \$48,793, which consisted of \$25,777 or 5.6% of payroll from the employer and \$23,016 or 5.0% of payroll from employees. Total contributions for the years ending December 31, 2002 and 2001 were \$45,850 and \$45,288, 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.

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, 2003, pension-related debt for DCHA was \$207,086 (current portion \$10,228). This liability was determined in accordance with GASB Statement 27 regarding pension-related debt. The actuarial methods and assumptions used are unchanged from those used prior to the implementation of GASB Statement 27.

j. Post-Employment Benefits Other Than Pension Benefits

In addition to the pension benefits provided to employees through the Wisconsin Retirement System, DCHA provides post-employment health insurance benefits to retired employees with accumulated unused sick pay. These benefits are available until the employee uses up unused sick pay. Currently, two retirees meet these eligibility requirements. DCHA pays the total cost of the insurance and is obligated for benefits under both union and individual employment contracts. The amount of benefits paid for the year was \$5,495 for 2003.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

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

L. COMPONENT UNIT (cont.)

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

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

k. Operating Lease

DCHA leases facilities for operation of its programs. This lease is classified as an operating lease. Rent expense for the year ended December 31, 2003 was \$75,618.

Future minimum lease payments are as follows:

2004	\$ 77,887
2005	80,223
2006	<u>47,606</u>
Total	<u>\$ 205,716</u>

l. Risk Management

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

m. Line of Credit

DCHA established a \$300,000 line of credit in 2003 with interest at the prime rate. The line of credit is secured by real estate and terminates in August 2004. There were no borrowings against the line of credit in 2003.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

The payroll for County employees covered by the system for the year ended December 31, 2003 was \$92,518,871; the employer's total payroll was \$97,337,924. The total required contribution for the year ended December 31, 2003 was \$10,874,708 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, 2002 and 2001 were \$11,450,969 and \$11,068,513, respectively, equal to the required contributions for each year.

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

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

The unfunded prior service liability for the County as of December 31, 2003, was \$-0-. This liability was determined in accordance with provisions of GASB Statement 27 regarding pension-related debt. The County paid off the liability in 2003.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2003

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT

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

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, 2003, WMMIC was owned by fourteen municipalities. Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

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

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

WMMIC is self-insured for all insurance risks up to a maximum of \$5,000,000 of losses involving two or more of its members. Losses paid by WMMIC plus administrative costs will be recovered through premiums of the participating pool of municipalities. The County's share of such losses is 9.90%. 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.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

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.

The claims liabilities for general liability and workers' compensation are actuarially determined using a discount rate of 6%. At December 31, 2003, the County has recognized \$2,334,559 in claims liabilities for general liability, including the WMMIC SIR liability, and has reported \$2,716,637 as retained earnings reserved for self-insurance losses related to general liability. In addition, at December 31, 2003, the County has recognized \$2,537,419 of incurred but not reported claims liabilities for workers' compensation and has retained earnings of \$5,692 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, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Unpaid claims, beginning of fiscal year	\$ 2,588,737	\$ 2,915,715	\$ 2,531,604	\$ 2,893,009
Incurred claims (including IBNRs) and changes in estimates	941,528	220,030	48,742	300,250
Claim payments	(992,846)	(547,008)	(245,787)	(661,655)
Unpaid Claims, End of Fiscal Year	\$ 2,537,419	\$ 2,588,737	\$ 2,334,559	\$ 2,531,604

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, 2003

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

During 2003, the County borrowed \$67,390,156 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 (\$36,804,800), general fund (\$2,524,468), airport (\$25,265,000), Badger Prairie Healthcare Center (\$278,000), and Methane Gas (\$2,423,000), and Highway (\$94,888). For the governmental funds, work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The balance of contract amounts plus open purchase orders is reported as reserved for encumbrances in the governmental fund financial statements. Work that is completed in the business-type funds is capitalized.

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

The County is required by State Statutes to provide financial assistance for medical costs incurred by qualifying County residents. The County reimburses health care facilities directly for services provided to such residents. The County's liability related to medical services is based on the County's determination of individual patient eligibility, which may be disputed by the health care providers. Therefore, the liability recorded at December 31, 2003, 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 \$1,000,000. The balance due as of December 31, 2003 is \$400,000. Of the balance due, \$260,000 has been recorded in the liability insurance internal service fund. The entire \$400,000 is shown as a liability on the statement of net assets in the governmental activities column.

Under the terms of a stipulation order issued by the State of Wisconsin Department of Industry, Labor, and Human Relations, the County is making monthly payments to a former Deputy Sheriff. The payments under this order are \$885 per month. The payments are due for the life of the ex-deputy sheriff. \$230,350 has been included as governmental activities long-term obligations.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE V – OTHER INFORMATION (cont.)

D. HENRY VILAS ZOO

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

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

E. 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.

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, 2003

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final		(Negative)
Taxes	\$ 115,711,123	\$ 115,711,123	\$ 116,526,358	\$ 815,235
Intergovernmental	22,374,031	32,224,364	23,143,231	(9,081,133)
Public charges for services	15,008,000	14,937,450	16,088,498	1,151,048
Fines, forfeitures and penalties	2,556,100	2,556,100	2,176,795	(379,305)
Licenses and permits	610,300	610,300	830,360	220,060
Investment income	2,099,000	2,099,000	1,013,716	(1,085,284)
Miscellaneous	4,341,621	4,619,710	4,648,941	29,231
Total Revenues	162,700,175	172,758,047	164,427,899	(8,330,148)
EXPENDITURES				
Current:				
General government	21,892,136	21,894,904	21,408,171	486,733
Health and human services	412,300	412,300	403,515	8,785
Public safety and criminal justice	66,662,350	68,471,194	70,218,666	(1,747,472)
Public works	1,068,701	1,259,177	1,143,869	115,308
Culture, education and recreation	13,871,791	14,557,196	12,382,709	2,174,487
Conservation and economic development	5,856,525	11,777,288	4,601,236	7,176,052
Capital Outlay	1,283,100	5,022,037	1,359,571	3,662,466
Total Expenditures	111,046,903	123,394,096	111,517,737	11,876,359
Excess (deficiency) of revenues over (under) expenditures	51,653,272	49,363,951	52,910,162	3,546,211
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	-	2,524,468	2,524,468
Capital lease issued	-	-	57,466	57,466
Sale of county property	157,400	797,225	427,824	(369,401)
Transfers in	1,021,566	1,021,566	1,856,331	834,765
Transfers out	(57,671,842)	(57,671,842)	(56,400,039)	1,271,803
Total Other Financing Sources (Uses)	(56,492,876)	(55,853,051)	(51,533,950)	4,319,101
Net change in fund balance	(4,839,604)	(6,489,100)	1,376,212	7,865,312
Fund balance - beginning	18,898,734	18,898,734	18,898,734	-
Fund balance (deficit) - ending	\$ 14,059,130	\$ 12,409,634	\$ 20,274,946	\$ 7,865,312

COUNTY OF DANE

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
For the Year Ended December 31, 2003

CURRENT EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
County Board	\$ 714,097	\$ 726,109	\$ 663,379	\$ 62,730
Executive	1,857,744	1,896,123	1,800,177	95,946
County Clerk	524,620	572,307	506,782	65,525
Administrative	6,039,282	6,355,276	6,149,032	206,244
Treasurer	491,401	491,301	572,826	(81,525)
Corporation Counsel	4,385,207	4,385,207	4,424,973	(39,766)
Register of Deeds	1,194,652	1,218,652	1,340,632	(121,980)
Facilities Management	5,823,100	5,764,164	5,434,422	329,742
Humane Society	776,433	400,165	458,337	(58,172)
Other	85,600	85,600	57,611	27,989
Total General Government	<u>21,892,136</u>	<u>21,894,904</u>	<u>21,408,171</u>	<u>486,733</u>
HEALTH AND HUMAN SERVICES				
Veterans' Services	<u>412,300</u>	<u>412,300</u>	<u>403,515</u>	<u>8,785</u>
PUBLIC SAFETY AND CRIMINAL JUSTICE				
Sheriff	43,854,404	44,601,153	46,396,817	(1,795,664)
Public Safety Communications	4,295,709	4,405,709	4,521,779	(116,070)
Emergency Planning	1,150,900	1,709,397	1,295,068	414,329
Juvenile Court Program	2,816,729	2,881,066	2,941,112	(60,046)
Clerk of Courts	8,153,481	8,209,639	8,542,166	(332,527)
Family Court Commissioner	1,785,924	1,785,924	1,748,577	37,347
Coroner	577,245	577,245	622,389	(45,144)
District Attorney	4,027,958	4,301,061	4,150,758	150,303
Total Public Safety and Criminal Justice	<u>66,662,350</u>	<u>68,471,194</u>	<u>70,218,666</u>	<u>(1,747,472)</u>
PUBLIC WORKS				
Parking Ramp	244,500	244,500	229,025	15,475
Public Works	<u>824,201</u>	<u>1,014,677</u>	<u>914,844</u>	<u>99,833</u>
Total Public Works	<u>1,068,701</u>	<u>1,259,177</u>	<u>1,143,869</u>	<u>115,308</u>
CULTURE, EDUCATION AND RECREATION				
Henry Vilas Zoo	1,652,109	1,675,574	1,656,956	18,618
Parks	2,953,014	3,176,429	2,881,185	295,244
Alliant Center	8,293,000	8,422,907	6,572,307	1,850,600
County Extension	953,368	959,518	949,538	9,980
Other	<u>20,300</u>	<u>322,768</u>	<u>322,723</u>	<u>45</u>
Total Culture, Education and Recreation	<u>13,871,791</u>	<u>14,557,196</u>	<u>12,382,709</u>	<u>2,174,487</u>
CONSERVATION AND ECONOMIC DEVELOPMENT				
Land Conservation	1,779,449	5,568,904	1,352,701	4,216,203
Planning and Development	<u>4,077,076</u>	<u>6,208,384</u>	<u>3,248,535</u>	<u>2,959,849</u>
Total Conservation and Economic Development	<u>5,856,525</u>	<u>11,777,288</u>	<u>4,601,236</u>	<u>7,176,052</u>
Total Current Expenditures	<u>\$ 109,763,803</u>	<u>\$ 118,372,059</u>	<u>\$ 110,158,166</u>	<u>\$ 8,213,893</u>

COUNTY OF DANE

GENERAL FUND (cont.)
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
 For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
CAPITAL OUTLAY				
GENERAL GOVERNMENT				
Administration	\$ 16,500	\$ 49,944	\$ 46,320	\$ 3,624
Corporation Counsel	-	1,643	1,643	-
Facilities Management	-	323,851	191,091	132,760
Total General Government	<u>16,500</u>	<u>375,438</u>	<u>239,054</u>	<u>136,384</u>
PUBLIC SAFETY AND CRIMINAL JUSTICE				
Sheriff	531,900	838,163	239,716	598,447
Emergency Planning	-	1,423,805	391,974	1,031,831
Other	-	4,789	-	4,789
Total Public Safety and Criminal Justice	<u>531,900</u>	<u>2,266,757</u>	<u>631,690</u>	<u>1,635,067</u>
CULTURE, EDUCATION AND RECREATION				
Parks	-	469,063	31,958	437,105
Alliant Center	734,700	1,351,249	446,968	904,281
Other	-	70,000	-	70,000
Total Culture, Education and Recreation	<u>734,700</u>	<u>1,890,312</u>	<u>478,926</u>	<u>1,411,386</u>
CONSERVATION AND ECONOMIC DEVELOPMENT				
Planning and Development	-	473,213	9,901	463,312
Other	-	16,317	-	16,317
Total Conservation and Economic Development	<u>-</u>	<u>489,530</u>	<u>9,901</u>	<u>479,629</u>
Total Capital Outlay	<u>1,283,100</u>	<u>5,022,037</u>	<u>1,359,571</u>	<u>3,662,466</u>
Total Current Expenditures and Capital Outlay	<u>\$ 111,046,903</u>	<u>\$ 123,394,096</u>	<u>\$ 111,517,737</u>	<u>\$ 11,876,359</u>

COUNTY OF DANE

HUMAN SERVICES SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 128,557,400	\$ 132,678,844	\$ 133,113,404	\$ 434,560
Public charges for services	112,300	112,300	99,473	(12,827)
Miscellaneous	<u>4,746,900</u>	<u>5,337,000</u>	<u>4,257,040</u>	<u>(1,079,960)</u>
Total Revenues	<u>133,416,600</u>	<u>138,128,144</u>	<u>137,469,917</u>	<u>(658,227)</u>
EXPENDITURES				
Current:				
Health and human services				
Personal services	23,076,321	23,210,169	22,827,304	382,865
Contractual services	158,843,495	162,851,844	157,046,631	5,805,213
Other	<u>3,727,472</u>	<u>4,715,513</u>	<u>4,867,042</u>	<u>(151,529)</u>
Total Health and Human Services	185,647,288	190,777,526	184,740,977	6,036,549
Capital Outlay	<u>10,800</u>	<u>56,081</u>	<u>40,549</u>	<u>15,532</u>
Total Expenditures	<u>185,658,088</u>	<u>190,833,607</u>	<u>184,781,526</u>	<u>6,052,081</u>
Excess (deficiency) of revenues over (under) expenditures	(52,241,488)	(52,705,463)	(47,311,609)	5,393,854
OTHER FINANCING SOURCES				
Transfers in	<u>52,618,817</u>	<u>52,618,817</u>	<u>47,157,318</u>	<u>(5,461,499)</u>
Total Other Financing Sources	<u>52,618,817</u>	<u>52,618,817</u>	<u>47,157,318</u>	<u>(5,461,499)</u>
Net change in fund balance	377,329	(86,646)	(154,291)	(67,645)
Fund balance - beginning	<u>462,834</u>	<u>462,834</u>	<u>462,834</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ 840,163</u>	<u>\$ 376,188</u>	<u>\$ 308,543</u>	<u>\$ (67,645)</u>

COUNTY OF DANE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2003

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			
Treasurer	\$ 491,301	\$ 572,826	\$ 81,525
Corporation Counsel	4,385,207	4,424,973	39,766
Register of Deeds	1,218,652	1,340,632	121,980
Humane Society	400,165	458,337	58,172
Sheriff	44,601,153	46,396,817	1,795,664
Public Safety Communications	4,405,709	4,521,779	116,070
Juvenile Court Program	2,881,066	2,941,112	60,046
Clerk of Courts	8,209,639	8,542,166	332,527
Coroner	577,245	622,389	45,144

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

Human Services Fund

Other	\$ 4,715,513	\$ 4,867,042	\$ 151,529
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Supplemental appropriations for the general fund and the human services fund during the year were \$12,347,193 and \$5,175,519, respectively.

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SUPPLEMENTARY INFORMATION

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, 2003

	Special Revenue Funds			
	Board of Health	Library	Land Information	Bridge Aid
ASSETS				
Cash and investments	\$ 701,236	\$ 143,915	\$ 2,268,412	\$ 36,085
Receivables				
Taxes	2,923,599	3,532,230	-	138,434
Accounts	35,895	-	33,329	-
Loans	-	-	-	-
Due from other governments	1,281	19,890	-	-
Due from other funds	351	74	-	-
	<u>3,662,362</u>	<u>3,696,109</u>	<u>2,301,741</u>	<u>174,519</u>
Total Assets	<u>\$ 3,662,362</u>	<u>\$ 3,696,109</u>	<u>\$ 2,301,741</u>	<u>\$ 174,519</u>
LIABILITIES				
Accounts payable	\$ 45,937	\$ 16,566	\$ 60,055	\$ -
Accrued payroll and payroll taxes	160,777	22,973	15,899	-
Other accrued liabilities	12,082	1,660	-	-
Due to other governments	40,732	5,287	24,052	-
Due to other funds	1,456	692	127	-
Deferred revenue	<u>3,109,817</u>	<u>3,532,230</u>	<u>-</u>	<u>138,434</u>
	<u>3,370,801</u>	<u>3,579,408</u>	<u>100,133</u>	<u>138,434</u>
Total Liabilities	<u>3,370,801</u>	<u>3,579,408</u>	<u>100,133</u>	<u>138,434</u>
FUND BALANCES				
Reserved for:				
Encumbrances	45,616	-	407,383	-
Trust activities	-	-	-	-
Unreserved and designated	245,945	116,701	1,794,225	36,085
Unreserved and undesignated (deficit)	-	-	-	-
Total Fund Balances	<u>291,561</u>	<u>116,701</u>	<u>2,201,608</u>	<u>36,085</u>
	<u>\$ 3,662,362</u>	<u>\$ 3,696,109</u>	<u>\$ 2,301,741</u>	<u>\$ 174,519</u>
Total Liabilities and Fund Balances	<u>\$ 3,662,362</u>	<u>\$ 3,696,109</u>	<u>\$ 2,301,741</u>	<u>\$ 174,519</u>

Special Revenue Funds				Total Nonmajor Governmental Funds
CDBG Loans	HOME	Commerce Revolving Loan	Scheidegger Trust Fund	
\$ 25,357	\$ -	\$ 116,885	\$ 535,163	\$ 3,827,053
-	-	-	-	6,594,263
-	-	-	-	69,224
1,992,481	159,000	77,857	-	2,229,338
14	214,633	-	-	235,818
-	-	-	-	425
<u>\$ 2,017,852</u>	<u>\$ 373,633</u>	<u>\$ 194,742</u>	<u>\$ 535,163</u>	<u>\$ 12,956,121</u>
\$ 6,876	\$ 43,000	\$ 70,000	\$ -	\$ 242,434
-	-	-	-	199,649
-	-	-	-	13,742
-	-	-	-	70,071
-	175,708	-	115,000	292,983
<u>1,992,481</u>	<u>159,000</u>	<u>77,857</u>	<u>-</u>	<u>9,009,819</u>
<u>1,999,357</u>	<u>377,708</u>	<u>147,857</u>	<u>115,000</u>	<u>9,828,698</u>
-	-	-	-	452,999
-	-	-	420,163	420,163
18,495	-	46,885	-	2,258,336
-	(4,075)	-	-	(4,075)
<u>18,495</u>	<u>(4,075)</u>	<u>46,885</u>	<u>420,163</u>	<u>3,127,423</u>
<u>\$ 2,017,852</u>	<u>\$ 373,633</u>	<u>\$ 194,742</u>	<u>\$ 535,163</u>	<u>\$ 12,956,121</u>

COUNTY OF DANE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2003

	Special Revenue Funds			
	Board of Health	Library	Land Information	Bridge Aid
REVENUES				
Taxes	\$ 2,766,001	\$ 3,525,409	\$ -	\$ 128,789
Intergovernmental	1,143,342	19,890	241,122	-
Public charges for services	6,753	15,005	1,224,715	-
Licenses and permits	863,547	-	-	-
Miscellaneous	3,458	10,910	-	-
Total Revenues	<u>4,783,101</u>	<u>3,571,214</u>	<u>1,465,837</u>	<u>128,789</u>
EXPENDITURES				
Current:				
Health and human services	4,779,366	-	-	-
Public works	-	-	-	114,498
Culture, education and recreation	-	3,471,373	-	-
Conservation and economic development	-	-	695,240	-
Capital Outlay	-	-	61,879	-
Total Expenditures	<u>4,779,366</u>	<u>3,471,373</u>	<u>757,119</u>	<u>114,498</u>
Excess (deficiency) of revenues over (under) expenditures	3,735	99,841	708,718	14,291
OTHER FINANCING USES				
Transfers Out	-	-	-	-
Net Change in Fund Balances	3,735	99,841	708,718	14,291
Fund balances - beginning	<u>287,826</u>	<u>16,860</u>	<u>1,492,890</u>	<u>21,794</u>
Fund balances (deficit) - ending	<u>\$ 291,561</u>	<u>\$ 116,701</u>	<u>\$ 2,201,608</u>	<u>\$ 36,085</u>

Special Revenue Funds				Total Nonmajor Governmental Funds
CDBG Loans	HOME	Commerce Revolving Loan	Scheidegger Trust Fund	
\$ -	\$ -	\$ -	\$ -	\$ 6,420,199
30,920	214,633	464	-	1,650,371
-	-	-	-	1,246,473
-	-	-	-	863,547
27,300	-	-	8,463	50,131
<u>58,220</u>	<u>214,633</u>	<u>464</u>	<u>8,463</u>	<u>10,230,721</u>
-	-	-	-	4,779,366
-	-	-	-	114,498
-	-	77,970	-	3,549,343
36,392	218,708	-	-	950,340
-	-	-	150,000	211,879
<u>36,392</u>	<u>218,708</u>	<u>77,970</u>	<u>150,000</u>	<u>9,605,426</u>
21,828	(4,075)	(77,506)	(141,537)	625,295
<u>(83,929)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,929)</u>
(62,101)	(4,075)	(77,506)	(141,537)	541,366
80,596	-	124,391	561,700	2,586,057
<u>\$ 18,495</u>	<u>\$ (4,075)</u>	<u>\$ 46,885</u>	<u>\$ 420,163</u>	<u>\$ 3,127,423</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, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 9,091,374	\$ 9,091,374	\$ -
Investment income	35,000	391,065	356,065
Miscellaneous	<u>224,500</u>	<u>1,452,077</u>	<u>1,227,577</u>
Total Revenues	<u>9,350,874</u>	<u>10,934,516</u>	<u>1,583,642</u>
EXPENDITURES			
Debt Service:			
Principal retirement	6,148,686	14,934,923	(8,786,237)
Interest and fees	<u>4,061,049</u>	<u>4,938,330</u>	<u>(877,281)</u>
Total Expenditures	<u>10,209,735</u>	<u>19,873,253</u>	<u>(9,663,518)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(858,861)</u>	<u>(8,938,737)</u>	<u>(8,079,876)</u>
OTHER FINANCING SOURCES (USES)			
General obligation debt issued	-	1,925,951	1,925,951
Debt premium	-	1,354,604	1,354,604
Transfers in	<u>693,800</u>	<u>3,182,275</u>	<u>2,488,475</u>
Total Other Financing Sources (Uses)	<u>693,800</u>	<u>6,462,830</u>	<u>5,769,030</u>
SPECIAL ITEM			
Retirement prior service	<u>-</u>	<u>(18,800,672)</u>	<u>(18,800,672)</u>
Net change in fund balances	(165,061)	(21,276,579)	(21,111,518)
Fund balances - beginning	<u>24,281,004</u>	<u>24,281,004</u>	<u>-</u>
Fund balances - ending	<u>\$ 24,115,943</u>	<u>\$ 3,004,425</u>	<u>\$ (21,111,518)</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, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 6,081,219	\$ 149,847	\$ (5,931,372)
Public charges for services	1,058,197	777,146	(281,051)
Miscellaneous	1,004,577	95,950	(908,627)
Total Revenues	<u>8,143,993</u>	<u>1,022,943</u>	<u>(7,121,050)</u>
EXPENDITURES			
Capital outlay	<u>52,675,843</u>	<u>16,867,355</u>	<u>35,808,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,531,850)</u>	<u>(15,844,412)</u>	<u>28,687,438</u>
OTHER FINANCING SOURCES (USES)			
General obligation debt issued	27,467,807	36,804,800	9,336,993
Transfers in	22,425	42,425	20,000
Total Other Financing Sources (Uses)	<u>27,490,232</u>	<u>36,847,225</u>	<u>9,356,993</u>
Net change in fund balances	(17,041,618)	21,002,813	38,044,431
Fund balances - beginning	<u>17,120,242</u>	<u>17,120,242</u>	<u>-</u>
Fund balances - ending	<u>\$ 78,624</u>	<u>\$ 38,123,055</u>	<u>\$ 38,044,431</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, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 2,766,001	\$ 2,766,001	\$ -
Intergovernmental	1,743,236	1,143,342	(599,894)
Public charges for services	20,000	6,753	(13,247)
Licenses and permits	805,300	863,547	58,247
Miscellaneous	<u>2,300</u>	<u>3,458</u>	<u>1,158</u>
Total Revenues	<u>5,336,837</u>	<u>4,783,101</u>	<u>(553,736)</u>
EXPENDITURES			
Current:			
Health and human services			
Personal services	4,270,029	3,888,712	381,317
Contractual services	565,528	422,182	143,346
Other	<u>680,368</u>	<u>468,472</u>	<u>211,896</u>
Total Expenditures	<u>5,515,925</u>	<u>4,779,366</u>	<u>736,559</u>
Excess (deficiency) of revenues over (under) expenditures	(179,088)	3,735	182,823
Fund balances - beginning	<u>287,826</u>	<u>287,826</u>	<u>-</u>
Fund balances - ending	<u>\$ 108,738</u>	<u>\$ 291,561</u>	<u>\$ 182,823</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, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 3,525,409	\$ 3,525,409	\$ -
Intergovernmental	36,700	19,890	(16,810)
Public charges for services	12,300	15,005	2,705
Miscellaneous	<u>10,000</u>	<u>10,910</u>	<u>910</u>
Total Revenues	<u>3,584,409</u>	<u>3,571,214</u>	<u>(13,195)</u>
EXPENDITURES			
Current:			
Culture, education and recreation			
Personal services	535,700	548,480	(12,780)
Contractual services	2,835,100	2,736,827	98,273
Other	<u>176,500</u>	<u>186,066</u>	<u>(9,566)</u>
Total Culture, Education and Recreation Expenditures	<u>3,547,300</u>	<u>3,471,373</u>	<u>75,927</u>
Excess of revenues over expenditures	37,109	99,841	62,732
Fund balances - beginning	<u>16,860</u>	<u>16,860</u>	<u>-</u>
Fund balances - ending	<u>\$ 53,969</u>	<u>\$ 116,701</u>	<u>\$ 62,732</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, 2003

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 300,296	\$ 241,122	\$ (59,174)
Public charges for services	512,100	1,224,715	712,615
Total Revenues	<u>812,396</u>	<u>1,465,837</u>	<u>653,441</u>
EXPENDITURES			
Current:			
Conservation and economic development			
Personal services	420,000	361,340	58,660
Contractual services	896,541	276,732	619,809
Other	80,213	57,168	23,045
Total Conservation and Economic Development Expenditures	1,396,754	695,240	701,514
Capital outlay	195,407	61,879	133,528
Total Expenditures	<u>1,592,161</u>	<u>757,119</u>	<u>835,042</u>
Excess (deficiency) of revenues over (under) expenditures	(779,765)	708,718	1,488,483
Fund balances - beginning	<u>1,492,890</u>	<u>1,492,890</u>	<u>-</u>
Fund balances - ending	<u>\$ 713,125</u>	<u>\$ 2,201,608</u>	<u>\$ 1,488,483</u>

COUNTY OF DANE

BRIDGE AID SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
 For the Year Ended December 31, 2003

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 128,789	\$ 128,789	\$ -
EXPENDITURES			
Current:			
Public works	150,585	114,498	36,087
Excess (deficiency) of revenues over (under) expenditures	(21,796)	14,291	36,087
Fund balances - beginning	21,794	21,794	-
Fund balances (deficit) - ending	\$ (2)	\$ 36,085	\$ 36,087

COUNTY OF DANE

CDBG LOANS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended December 31, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,944,600	\$ 30,920	\$ (1,913,680)
Miscellaneous	<u>18,000</u>	<u>27,300</u>	<u>\$ 9,300</u>
Total Revenues	<u>1,962,600</u>	<u>58,220</u>	<u>(1,904,380)</u>
EXPENDITURES			
Conservation and economic development	<u>1,962,600</u>	<u>36,392</u>	<u>1,926,208</u>
Excess of revenues over expenditures	-	21,828	21,828
OTHER FINANCING USES			
Transfers out	<u>-</u>	<u>(83,929)</u>	<u>(83,929)</u>
Net change in fund balance	-	(62,101)	(62,101)
Fund balances - beginning	<u>80,596</u>	<u>80,596</u>	<u>-</u>
Fund balances - ending	<u>\$ 80,596</u>	<u>\$ 18,495</u>	<u>\$ (62,101)</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, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 540,000	\$ 214,633	\$ (325,367)
EXPENDITURES			
Conservation and economic development	<u>540,000</u>	<u>218,708</u>	<u>321,292</u>
Deficiency of revenues over (under) expenditures	-	(4,075)	(4,075)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ (4,075)</u>	<u>\$ (4,075)</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, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 124,382	\$ 464	\$ (123,918)
Miscellaneous	<u>600</u>	<u>-</u>	<u>(600)</u>
Total Revenues	<u>124,982</u>	<u>464</u>	<u>(124,518)</u>
EXPENDITURES			
Conservation and economic development	<u>124,982</u>	<u>77,970</u>	<u>47,012</u>
Total Expenditures	<u>124,982</u>	<u>77,970</u>	<u>47,012</u>
Excess (deficiency) of revenues over (under) expenditures	-	(77,506)	(77,506)
Fund balances - beginning	<u>124,391</u>	<u>124,391</u>	<u>-</u>
Fund balances - ending	<u>\$ 124,391</u>	<u>\$ 46,885</u>	<u>\$ (77,506)</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, 2003

	Enterprise Funds		Total Nonmajor Proprietary Funds
	Printing and Services	Methane Gas	
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ 2,738,187	\$ 2,738,187
Accounts receivable, net	2,960	51,309	54,269
Due from other governmental units	89,763	-	89,763
Due from other funds	39	-	39
Inventory	121,974	-	121,974
Total current assets	<u>214,736</u>	<u>2,789,496</u>	<u>3,004,232</u>
Noncurrent assets:			
Advance to other funds	194,093	-	194,093
Capital assets:			
Construction in progress	-	99,373	99,373
Machinery and equipment	575,768	2,831,779	3,407,547
Less accumulated depreciation	<u>(504,787)</u>	<u>(854,406)</u>	<u>(1,359,193)</u>
Total capital assets (net of accumulated depreciation)	<u>70,981</u>	<u>2,076,746</u>	<u>2,147,727</u>
Total noncurrent assets	<u>265,074</u>	<u>2,076,746</u>	<u>2,341,820</u>
Total assets	<u>479,810</u>	<u>4,866,242</u>	<u>5,346,052</u>
LIABILITIES			
Current liabilities:			
Accounts payable	15,691	138,732	154,423
Accrued payroll and payroll taxes	19,931	2,626	22,557
Accrued compensated absences	52,422	5,201	57,623
Other accrued liabilities and deposits	137	30,069	30,206
Due to other governments	3,422	1,013	4,435
Due to other funds	83,730	22	83,752
Current portion of general obligation debt	17,959	206,000	223,959
Current portion of capital leases	11,088	-	11,088
Total current liabilities	<u>204,380</u>	<u>383,663</u>	<u>588,043</u>
Noncurrent liabilities:			
Accrued compensated absences	117,942	6,125	124,067
General obligation long-term debt	35,513	2,217,000	2,252,513
Total noncurrent liabilities	<u>153,455</u>	<u>2,223,125</u>	<u>2,376,580</u>
Total liabilities	<u>357,835</u>	<u>2,606,788</u>	<u>2,964,623</u>
NET ASSETS			
Invested in capital assets, net of related debt	6,421	1,953,175	1,959,596
Unrestricted	115,554	306,279	421,833
Total Net Assets	<u>\$ 121,975</u>	<u>\$ 2,259,454</u>	<u>\$ 2,381,429</u>

COUNTY OF DANE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - NONMAJOR PROPRIETARY FUNDS For the Year Ended December 31, 2003

	Enterprise Funds		
	Printing and Services	Methane Gas	Total
Operating revenues:			
Charges for services	\$ 994,571	\$ 843,537	\$ 1,838,108
Total operating revenues	994,571	843,537	1,838,108
Operating expenses:			
Personal services	481,945	65,509	547,454
Contractual services	88,757	-	88,757
Other	356,912	161,810	518,722
Depreciation	41,439	141,493	182,932
Total operating expenses	969,053	368,812	1,337,865
Operating income	25,518	474,725	500,243
Nonoperating revenues (expenses)			
Interest expense	(3,095)	(30,069)	(33,164)
Gain (loss) on disposal of fixed assets	(3,784)	-	(3,784)
Total nonoperating revenues (expenses)	(6,879)	(30,069)	(36,948)
Income before transfers	18,639	444,656	463,295
Transfers out	(119,404)	(445,656)	(565,060)
Change in net assets	(100,765)	(1,000)	(101,765)
Total net assets - beginning	222,740	2,260,454	2,483,194
Total net assets - ending	\$ 121,975	\$ 2,259,454	\$ 2,381,429

COUNTY OF DANE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2003

	Enterprise Funds		
	Printing and Services	Methane Gas	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 529,517	\$ 792,228	\$ 1,321,745
Received from other funds	422,166	-	422,166
Paid to suppliers for goods and services	(344,279)	(49,499)	(393,778)
Paid to employees for services	(481,945)	(65,509)	(547,454)
Net Cash Flows From Operating Activities	125,459	677,220	802,679
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(119,404)	(445,656)	(565,060)
Advances from other funds	672	-	672
Net Cash Flows From Noncapital Financing Activities	(118,732)	(445,656)	(564,388)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on long-term debt	(86,264)	-	(86,264)
Principal payments on capital lease	(10,517)	-	(10,517)
Capital debt issued	-	2,423,000	2,423,000
Interest paid	(4,005)	-	(4,005)
Acquisition and construction of capital assets	-	(99,373)	(99,373)
Net Cash Flows From Capital and Related Financing Activities	(100,786)	2,323,627	2,222,841
Net Increase (Decrease) in Cash and Cash Equivalents	(94,059)	2,555,191	2,461,132
CASH AND CASH EQUIVALENTS - Beginning of Year	94,059	182,996	277,055
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ 2,738,187	\$ 2,738,187

COUNTY OF DANE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (cont.)
For the Year Ended December 31, 2003

	<u>Enterprise Funds</u>		
	<u>Printing and Services</u>	<u>Methane Gas</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating income	\$ 25,518	\$ 474,725	\$ 500,243
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	41,439	141,493	182,932
Change in assets and liabilities			
Accounts receivable	(343)	(51,309)	(51,652)
Due from other funds	(39)	-	(39)
Due from other governmental units	(42,506)	-	(42,506)
Inventories	6,988	-	6,988
Accounts payable	(3,710)	106,261	102,551
Accrued payroll and payroll taxes	960	(1,855)	(895)
Accrued compensated absences	11,777	6,870	18,647
Due to other governments	3,422	1,013	4,435
Due to other funds	<u>81,953</u>	<u>22</u>	<u>81,975</u>
Net Cash Flows From Operating Activities	<u>\$ 125,459</u>	<u>\$ 677,220</u>	<u>\$ 802,679</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.
- *Firearms Training Center* – Accounts for firearms range services provided to various other governmental users.
- *Consolidated Food Service* – Accounts for food services provided to other County departments.

COUNTY OF DANE

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS December 31, 2003

	<u>Workers'</u> <u>Compensation</u>	<u>Liability</u> <u>Insurance</u>	<u>Employee</u> <u>Benefits</u>
ASSETS			
Current assets:			
Cash and investments	\$ 2,508,164	\$ 2,635,467	\$ 1,473,330
Accounts receivable, net	-	895,660	-
Due from other funds	-	-	-
Deposits	50,000	-	-
Total Current Assets	<u>2,558,164</u>	<u>3,531,127</u>	<u>1,473,330</u>
Noncurrent assets:			
Restricted deposit with Wisconsin Mutual Insurance Company	-	1,809,171	-
Capital assets:			
Land	-	-	-
Land improvements	-	-	-
Buildings	-	-	-
Machinery and equipment	-	-	-
Less accumulated depreciation	-	-	-
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>-</u>	<u>1,809,171</u>	<u>-</u>
Total Assets	<u>2,558,164</u>	<u>5,340,298</u>	<u>1,473,330</u>

Firearms Training Center	Consolidated Food Service	Totals
\$ -	\$ -	\$ 6,616,961
-	-	895,660
-	48	48
-	-	50,000
<u>-</u>	<u>48</u>	<u>7,562,669</u>
-	-	1,809,171
108,000	-	108,000
1,631,109	-	1,631,109
534,228	1,968,705	2,502,933
-	947,262	947,262
<u>(638,777)</u>	<u>(1,200,179)</u>	<u>(1,838,956)</u>
<u>1,634,560</u>	<u>1,715,788</u>	<u>3,350,348</u>
<u>1,634,560</u>	<u>1,715,788</u>	<u>5,159,519</u>
<u>1,634,560</u>	<u>1,715,836</u>	<u>12,722,188</u>

COUNTY OF DANE

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
December 31, 2003

LIABILITIES	<u>Workers' Compensation</u>	<u>Liability Insurance</u>	<u>Employee Benefits</u>
Current liabilities:			
Accounts payable	\$ 14,549	\$ -	\$ -
Accrued payroll and payroll taxes	-	-	-
Accrued compensated absences	-	-	-
Other accrued liabilities and deposits	2,537,419	2,334,559	-
Due to other governments	504	29,102	-
Due to other funds	-	-	8,581
Current portion of general obligation	-	-	-
Current portion of other liabilities	-	130,000	-
Total Current Liabilities	<u>2,552,472</u>	<u>2,493,661</u>	<u>8,581</u>
Noncurrent liabilities:			
Advance from other funds	-	-	-
Accrued compensated absences	-	-	-
General obligation long-term debt	-	-	-
Other noncurrent liabilities	-	130,000	-
Total Noncurrent Liabilities	<u>-</u>	<u>130,000</u>	<u>-</u>
Total Liabilities	<u>2,552,472</u>	<u>2,623,661</u>	<u>8,581</u>
NET ASSETS			
Invested in capital assets, net of related debt	-	-	-
Restricted for			
Unpaid claims and restricted deposits	5,692	2,716,637	-
Employee benefits	-	-	1,455,987
Unrestricted (deficit)	-	-	8,762
Total Net Assets	<u>\$ 5,692</u>	<u>\$ 2,716,637</u>	<u>\$ 1,464,749</u>

<u>Firearms Training Center</u>	<u>Consolidated Food Service</u>	<u>Totals</u>
\$ 729	\$ 76,185	\$ 91,463
1,969	64,284	66,253
6,467	73,379	79,846
1,722	2,501	4,876,201
1,623	5,901	37,130
15	1,152	9,748
116,415	353,097	469,512
-	-	130,000
<u>128,940</u>	<u>576,499</u>	<u>5,760,153</u>
1,260,575	242,895	1,503,470
2,315	112,315	114,630
123,116	-	123,116
-	-	130,000
<u>1,386,006</u>	<u>355,210</u>	<u>1,871,216</u>
<u>1,514,946</u>	<u>931,709</u>	<u>7,631,369</u>
1,395,029	1,362,691	2,757,720
-	-	2,722,329
-	-	1,455,987
<u>(1,275,415)</u>	<u>(578,564)</u>	<u>(1,845,217)</u>
<u>\$ 119,614</u>	<u>\$ 784,127</u>	<u>\$ 5,090,819</u>

COUNTY OF DANE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS (DEFICIT) - INTERNAL SERVICE FUNDS For the Year Ended December 31, 2003

	Workers' Compensation	Liability Insurance	Employee Benefits
Operating revenues:			
Charges for services	\$ 1,144,580	\$ 1,376,503	\$ -
Other	-	6,000	-
Total Operating Revenues	<u>1,144,580</u>	<u>1,382,503</u>	<u>-</u>
Operating expenses:			
Personal services	-	-	-
Contractual services	-	-	283,269
Insurance services	992,846	1,080,273	-
Other	-	130,731	-
Depreciation	-	-	-
Total Operating Expenses	<u>992,846</u>	<u>1,211,004</u>	<u>283,269</u>
Operating Income (Loss)	<u>151,734</u>	<u>171,499</u>	<u>(283,269)</u>
Nonoperating revenues (expenses)			
Investment income	-	211,842	462
Interest expense	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>211,842</u>	<u>462</u>
Income (Loss) Before Transfers	151,734	383,341	(282,807)
Transfers out	-	-	(510,000)
Changes in Net Assets	151,734	383,341	(792,807)
Total net assets (deficit) - beginning	<u>(146,042)</u>	<u>2,333,296</u>	<u>2,257,556</u>
Total Net Assets - Ending	<u>\$ 5,692</u>	<u>\$ 2,716,637</u>	<u>\$ 1,464,749</u>

<u>Firearms Training Center</u>	<u>Consolidated Food Service</u>	<u>Totals</u>
\$ 81,991	\$ 3,656,506	\$ 6,259,580
9,695	342	16,037
<u>91,686</u>	<u>3,656,848</u>	<u>6,275,617</u>
57,764	1,674,554	1,732,318
8,166	-	291,435
-	-	2,073,119
64,148	1,451,219	1,646,098
94,844	117,635	212,479
<u>224,922</u>	<u>3,243,408</u>	<u>5,955,449</u>
<u>(133,236)</u>	<u>413,440</u>	<u>320,168</u>
-	-	212,304
<u>(7,801)</u>	<u>(20,257)</u>	<u>(28,058)</u>
<u>(7,801)</u>	<u>(20,257)</u>	<u>184,246</u>
(141,037)	393,183	504,414
-	(194,632)	(704,632)
<u>(141,037)</u>	<u>198,551</u>	<u>(200,218)</u>
<u>260,651</u>	<u>585,576</u>	<u>5,291,037</u>
<u>\$ 119,614</u>	<u>\$ 784,127</u>	<u>\$ 5,090,819</u>

COUNTY OF DANE

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2003

	<u>Workers'</u> <u>Compen-</u> <u>sation</u>	<u>Liability</u> <u>Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ -	\$ -
Received from other funds	1,144,580	1,356,627
Paid to suppliers for goods and services	(1,037,848)	(1,415,332)
Paid to employees for services	-	-
Net Cash Flows From Operating Activities	<u>106,732</u>	<u>(58,705)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers - out	-	-
Payment of other long-term debt	-	(130,000)
Advances from (to) other funds	-	-
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>(130,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt retired	-	-
Interest paid	-	-
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	-	211,842
Net Cash Flows From Investing Activities	<u>-</u>	<u>211,842</u>
Net Increase (Decrease) in Cash and Cash Equivalents	106,732	23,137
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,401,432</u>	<u>2,612,330</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,508,164</u>	<u>\$ 2,635,467</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 151,734	\$ 171,499
Adjustments to reconcile income (loss) to net cash flows from operating activities:		
Depreciation	-	-
Change in assets and liabilities:		
Accounts receivable	-	(25,876)
Due from other funds	-	-
Due from other governments	-	-
Accounts payable	5,812	(36,385)
Accrued payroll and payroll taxes	-	-
Accrued compensated absences	-	-
Other accrued liabilities and deposits	(51,318)	(197,045)
Due to other governments	504	29,102
Due to other funds	-	-
Net Cash Flows From Operating Activities	<u>\$ 106,732</u>	<u>\$ (58,705)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
None		

<u>Employee Benefits</u>	<u>Firearms Training Center</u>	<u>Consolidated Food Service</u>	<u>Totals</u>
\$ -	\$ 98,255	\$ -	\$ 98,255
-	-	3,656,800	6,158,007
(281,402)	(88,022)	(1,458,963)	(4,281,567)
-	(57,764)	(1,674,554)	(1,732,318)
<u>(281,402)</u>	<u>(47,531)</u>	<u>523,283</u>	<u>242,377</u>
(510,000)	-	(194,632)	(704,632)
-	-	-	(130,000)
-	188,452	48,130	236,582
<u>(510,000)</u>	<u>188,452</u>	<u>(146,502)</u>	<u>(598,050)</u>
-	(133,120)	(356,524)	(489,644)
-	(7,801)	(20,257)	(28,058)
-	(140,921)	(376,781)	(517,702)
462	-	-	212,304
<u>462</u>	-	-	<u>212,304</u>
(790,940)	-	-	(661,071)
<u>2,264,270</u>	-	-	<u>7,278,032</u>
<u>\$ 1,473,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,616,961</u>
\$ (283,269)	\$ (133,236)	\$ 413,440	\$ 320,168
-	94,844	117,635	212,479
-	2,880	-	(22,996)
-	-	(48)	(48)
-	3,689	-	3,689
(6,714)	(8,809)	10,856	(35,240)
-	285	1,261	1,546
-	(5,172)	19,507	14,335
-	(3,553)	(7,403)	(259,319)
-	1,526	5,382	36,514
8,581	15	(37,347)	(28,751)
<u>\$ (281,402)</u>	<u>\$ (47,531)</u>	<u>\$ 523,283</u>	<u>\$ 242,377</u>

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FIDUCIARY FUNDS

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

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

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

COUNTY OF DANE

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2003

	Private Purpose Trusts		Totals
	John T. Lyle Trust	Blockstein Memorial Trust	
ASSETS			
Cash and investments	\$ 201,694	\$ 14,821	\$ 216,515
Total Assets	<u>201,694</u>	<u>14,821</u>	<u>216,515</u>
LIABILITIES	-	-	-
NET ASSETS			
Reserved for private purpose trust activities	<u>201,694</u>	<u>14,821</u>	<u>216,515</u>
Total Net Assets	<u>\$ 201,694</u>	<u>\$ 14,821</u>	<u>\$ 216,515</u>

COUNTY OF DANE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2003

	Private Purpose Trusts		Totals
	John T. Lyle Trust	Blockstein Memorial Trust	
ADDITIONS			
Investment earnings	\$ 13,757	\$ 169	\$ 13,926
Total Additions	<u>13,757</u>	<u>169</u>	<u>13,926</u>
DEDUCTIONS			
Scholarships and Badger Prairie Health Care Center patient benefits	2,065	-	2,065
Total Deductions	<u>2,065</u>	<u>-</u>	<u>2,065</u>
Change in net assets	11,692	169	11,861
Net assets - beginning	<u>190,002</u>	<u>14,652</u>	<u>204,654</u>
Net Assets - Ending	<u>\$ 201,694</u>	<u>\$ 14,821</u>	<u>\$ 216,515</u>

COUNTY OF DANE

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended December 31, 2003

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
DELINQUENT SPECIAL ASSESSMENTS				
Assets				
Cash and investments	\$ 23,081	\$ 37,244	\$ 23,081	\$ 37,244
Taxes receivable	412,312	702,864	412,312	702,864
Total Assets	\$ 435,393	\$ 740,108	\$ 435,393	\$ 740,108
Liabilities				
Due to other governmental units	\$ 435,393	\$ 740,108	\$ 435,393	\$ 740,108
Total Liabilities	\$ 435,393	\$ 740,108	\$ 435,393	\$ 740,108
ALIMONY AND SUPPORT				
Assets				
Cash and investments	\$ 10,271	\$ -	\$ 10,271	\$ -
Liabilities				
Other accrued liabilities and deposits	\$ 10,271	\$ -	\$ 10,271	\$ -
CLERK OF COURTS AGENCY ACCOUNT				
Assets				
Cash and investments	\$ 1,606,081	\$ 1,768,635	\$ 1,606,081	\$ 1,768,635
Liabilities				
Other accrued liabilities and deposits	\$ 1,606,081	\$ 1,768,635	\$ 1,606,081	\$ 1,768,635

COUNTY OF DANE

**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS (cont.)**

For the Year Ended December 31, 2003

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
STATE TAX LEVY AND SPECIAL CHARGES				
Assets				
Taxes Receivable	\$ 6,396,905	\$ 6,900,171	\$ 6,396,905	\$ 6,900,171
Liabilities				
Due to Other Governmental Units	\$ 6,396,905	\$ 6,900,171	\$ 6,396,905	\$ 6,900,171
OTHER				
Assets				
Cash and investments	\$ 1,946,115	\$ 4,924,152	\$ 1,946,115	\$ 4,924,152
Total Assets	\$ 1,946,115	\$ 4,924,152	\$ 1,946,115	\$ 4,924,152
Liabilities				
Accounts payable	\$ 4,628	\$ 6,450	\$ 4,628	\$ 6,450
Other accrued liabilities and deposits	604,338	637,407	604,338	637,407
Due to other governmental units	1,337,149	4,280,295	1,337,149	4,280,295
Total Liabilities	\$ 1,946,115	\$ 4,924,152	\$ 1,946,115	\$ 4,924,152
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash and investments	\$ 3,585,548	\$ 6,730,031	\$ 3,585,548	\$ 6,730,031
Taxes receivable	6,809,217	7,603,035	6,809,217	7,603,035
Total Assets	\$ 10,394,765	\$ 14,333,066	\$ 10,394,765	\$ 14,333,066
Liabilities				
Accounts payable	\$ 4,628	\$ 6,450	\$ 4,628	\$ 6,450
Other accrued liabilities and deposits	2,220,690	2,406,042	2,220,690	2,406,042
Due to other governmental units	8,169,447	11,920,574	8,169,447	11,920,574
Total Liabilities	\$ 10,394,765	\$ 14,333,066	\$ 10,394,765	\$ 14,333,066

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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)

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

(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

Fiscal Year	LAST TEN FISCAL YEARS (1)							Total
	County Taxes	Intergovernmental Revenue	Licenses and Permits	Fines, Forfeitures, & Penalties	Public Charges for Services	Investment Income	Miscellaneous Revenues	
1994	\$84,215,309	\$82,515,165	\$825,472	\$2,774,426	\$14,356,429	\$3,920,612	\$1,886,117	\$190,493,530
1995	\$87,797,889	\$99,015,768	\$917,498	\$2,050,995	\$11,244,418	\$4,125,914	\$1,893,460	\$207,045,942
1996	\$93,599,427	\$108,743,260	\$940,671	\$1,913,138	\$12,507,805	\$4,001,260	\$3,674,913	\$225,380,474
1997	\$100,844,304	\$117,666,488	\$1,001,163	\$2,029,774	\$13,242,846	\$3,903,301	\$3,971,865	\$242,659,741
1998	\$104,607,316	\$125,853,932	\$1,293,718	\$1,930,619	\$13,890,711	\$4,142,933	\$3,914,535	\$255,633,764
1999	\$107,445,885	\$135,618,126	\$1,320,213	\$2,088,855	\$14,309,285	\$3,082,878	\$5,114,237	\$268,979,479
2000	\$116,521,448	\$140,783,743	\$1,205,541	\$2,276,015	\$13,764,121	\$4,267,023	\$7,767,670	\$286,585,561
2001	\$122,250,598	\$148,091,415	\$1,461,245	\$2,165,549	\$15,207,283	\$3,927,282	\$13,606,966	\$306,710,338
2002	\$125,799,045	\$152,540,375	\$1,558,210	\$2,294,661	\$16,785,778	\$1,563,599	\$11,363,835	\$311,905,503
2003	\$132,037,931	\$158,056,853	\$1,693,907	\$2,176,795	\$18,211,590	\$1,404,781	\$10,504,139	\$324,085,996

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

TABLE 3

COUNTY OF DANE

PROPERTY TAX LEVIES AND COLLECTIONS (A)

Fiscal Year	LAST TEN FISCAL YEARS							Outstanding Delinquent Taxes
	Tax Levy	Current Year Collections	Percentage of Levy Collected	Prior Years' Collections	Total Collections	Outstanding Delinquent Taxes		
1994	\$472,398,084	\$469,945,647	99.48%	\$2,969,258	\$472,914,905	\$3,961,565		
1995	\$496,976,349	\$494,614,362	99.52%	\$2,876,848	\$497,491,210	\$3,446,704		
1996	\$535,152,274	\$532,028,262	99.42%	\$2,224,622	\$534,252,884	\$4,346,093		
1997	\$500,172,875	\$497,573,031	99.48%	\$3,108,734	\$500,681,765	\$3,837,203		
1998	\$522,719,314	\$520,418,339	99.56%	\$2,638,313	\$523,056,652	\$3,499,865		
1999	\$544,002,217	\$541,492,799	99.54%	\$2,346,991	\$543,839,790	\$3,662,292		
2000	\$563,968,540	\$560,992,591	99.47%	\$2,251,724	\$563,244,315	\$4,386,517		
2001	\$601,404,211	\$597,745,581	99.39%	\$2,896,289	\$600,641,870	\$5,148,858		
2002	\$638,806,863	\$635,653,401	99.51%	\$3,576,173	\$639,229,574	\$6,052,180		
2003	\$681,382,484	\$678,211,750	99.53%	\$2,923,059	\$681,134,809	\$6,439,159		

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

TABLE 4

COUNTY OF DANE

EQUALIZED VALUE OF TAXABLE PROPERTY (A)

Fiscal Year	LAST TEN FISCAL YEARS			Total All Property Equalized Value
	Real Estate Property Equalized Value	Personal Property Equalized Value		
1994	\$14,098,032,400	\$797,918,050		\$14,895,950,450
1995	\$15,797,905,900	\$844,047,950		\$16,641,953,850
1996	\$17,661,783,600	\$879,887,950		\$18,541,671,550
1997	\$19,034,814,800	\$870,332,350		\$19,905,147,150
1998	\$20,483,280,200	\$915,450,300		\$21,398,730,500
1999	\$21,758,963,100	\$948,032,750		\$22,706,995,850
2000	\$23,274,320,700	\$802,635,750		\$24,076,956,450
2001	\$24,938,757,100	\$820,891,850		\$25,759,648,950
2002	\$27,685,346,700	\$862,120,550		\$28,547,467,250
2003	\$30,178,691,200	\$929,332,650		\$31,108,023,850

(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 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
1994	\$63,936,281	\$4.29
1995	\$67,347,330	\$4.05
1996	\$71,112,014	\$3.84
1997	\$73,705,637	\$3.70
1998	\$77,425,465	\$3.62
1999	\$79,696,873	\$3.51
2000	\$82,317,814	\$3.42
2001	\$86,223,795	\$3.35
2002	\$90,144,947	\$3.16
2003	\$92,948,455	\$2.99

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
1994	\$63,936,281	\$4.29	\$22,500,000	\$86,436,281
1995	\$67,347,330	\$4.05	\$24,300,000	\$91,647,330
1996	\$71,112,014	\$3.84	\$25,000,000	\$96,112,014
1997	\$73,705,637	\$3.70	\$26,318,000	\$100,023,637
1998	\$77,425,465	\$3.62	\$28,300,000	\$105,725,465
1999	\$79,696,873	\$3.51	\$30,008,000	\$109,704,873
2000	\$82,317,814	\$3.42	\$32,775,000	\$115,092,814
2001	\$86,223,795	\$3.35	\$36,050,000	\$122,273,795
2002	\$90,144,947	\$3.16	\$37,850,000	\$127,994,947
2003	\$92,948,455	\$2.99	\$39,553,300	\$132,501,755

(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

Fiscal Year	LAST TEN FISCAL YEARS				
	Population (A)	Equalized Assessed Value	Total Indebtedness To Be Repaid By The Property Tax Levy	Ratio of Indebtedness To Equalized Assessed Value	Indebtedness Per Capita
1994	389,677	\$14,895,950,450	\$55,795,802	0.37	\$143.18
1995	393,857	\$16,641,953,850	\$67,672,959	0.41	\$171.82
1996	398,233	\$18,541,671,550	\$69,584,010	0.38	\$174.73
1997	402,988	\$19,905,147,150	\$66,521,095	0.33	\$165.07
1998	407,584	\$21,398,730,500	\$64,158,139	0.30	\$157.41
1999	413,090	\$22,706,995,850	\$61,603,478	0.27	\$149.13
2000	426,526	\$24,076,956,450	\$67,039,101	0.28	\$157.17
2001	431,815	\$25,759,648,950	\$65,620,990	0.25	\$151.97
2002	438,881	\$28,547,467,250	\$108,018,989	0.38	\$246.12
2003	445,253	\$31,108,023,850	\$133,849,641	0.43	\$300.61

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, 2003

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>\$34,696,825,100</u>
Debt limit - 5% of equalized value	\$1,734,841,255
Amount of debt applicable to debt limit:	
General obligation debt (2)	\$192,636,403
Less:	
Asset amount in Debt Service fund available for payment of principal:	
Net amount in Debt Service fund available for payment of principal	<u>\$3,004,425</u>
Net amount of debt applicable to debt limit	<u>\$189,631,978</u>
Legal debt margin	<u>\$1,545,209,277</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, 2003

Governmental Unit	Percentage of Valuation Within Dane County	Total Debt Outstanding	Gross Debt Applicable To Valuation Within Dane County	Exclusions (1) Applicable To Valuation Within Dane County	Net Debt Applicable To Valuation Within Dane County
DIRECT DEBT					
<u>County</u>					
Dane	100.0%	\$192,636,403	\$192,636,403	\$68,781,975	\$123,854,428
TOTAL DIRECT DEBT		\$192,636,403	\$192,636,403	\$68,781,975	\$123,854,428
GROSS OVERLAPPING DEBT					
<u>Cities</u>					
Edgerton	0.2%	\$12,375,646	\$24,751	\$9,890	\$14,861
Fitchburg	100.0%	\$20,153,308	\$20,153,308	\$1,605,930	\$18,547,378
Madison	100.0%	\$293,877,086	\$293,877,086	\$116,902,086	\$176,975,000
Middleton	100.0%	\$54,953,594	\$54,953,594	\$3,160,000	\$51,793,594
Monona	100.0%	\$24,994,982	\$24,994,982	\$2,117,215	\$22,877,767
Stoughton	100.0%	\$32,901,462	\$32,901,462	\$17,615,078	\$15,286,384
Sun Prairie	100.0%	\$55,071,753	\$55,071,753	\$8,663,962	\$46,407,791
Verona	100.0%	\$30,911,197	\$30,911,197	\$5,451,097	\$25,460,100
Total for Cities		\$525,239,028	\$512,888,133	\$155,525,258	\$357,362,875
<u>Villages</u>					
Belleville	0.9%	\$1,960,001	\$18,404	\$607	\$17,797
Black Earth	100.0%	\$1,433,660	\$1,433,660	\$515,814	\$917,846
Blue Mounds	100.0%	\$2,242,365	\$2,242,365	\$1,647,395	\$594,970
Brooklyn	57.0%	\$2,428,750	\$1,384,388	\$1,017,907	\$366,481
Cambridge	92.8%	\$3,073,879	\$2,851,330	\$1,087,963	\$1,763,367
Cottage Grove	100.0%	\$14,886,833	\$14,886,833	\$1,737,378	\$13,149,455
Cross Plains	100.0%	\$4,878,670	\$4,878,670	\$714,751	\$4,163,919
Dane	100.0%	\$1,216,818	\$1,216,818	\$993,130	\$223,688
Deerfield	100.0%	\$5,285,000	\$5,285,000	\$1,309,109	\$3,975,891
DeForest	100.0%	\$31,926,475	\$31,926,475	\$1,309,999	\$30,616,476
Maple Bluff	100.0%	\$2,876,121	\$2,876,121	\$0	\$2,876,121
Marshall	100.0%	\$10,203,641	\$10,203,641	\$6,558,641	\$3,645,000

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2003

Governmental Unit	Percentage of Valuation Within	Dane County	Total Debt	Outstanding	Gross Debt Applicable To Valuation Within Dane County	Exclusions (1) Applicable To Valuation Within Dane County	Net Debt Applicable To Valuation Within Dane County
GROSS OVERLAPPING DEBT (Continued)							
Mazomanie	100.0%		\$9,339,084	\$9,339,084	\$9,339,084	\$6,757,204	\$2,581,880
McFarland	100.0%		\$9,086,470	\$9,086,470	\$9,086,470	\$2,365,000	\$6,721,470
Mt. Horeb	100.0%		\$9,375,617	\$9,375,617	\$9,375,617	\$5,340,051	\$4,035,566
Oregon	100.0%		\$16,080,301	\$16,080,301	\$16,080,301	\$6,931,065	\$9,149,236
Rockdale	100.0%		\$0	\$0	\$0	\$0	\$0
Shorewood Hills	100.0%		\$7,506,525	\$7,506,525	\$7,506,525	\$986,025	\$6,520,500
Waunakee	100.0%		\$22,049,015	\$22,049,015	\$22,049,015	\$5,440,000	\$16,609,015
Total for Villages			\$155,849,225	\$152,640,717	\$152,640,717	\$44,712,039	\$107,928,678
Towns							
Albion	100.0%		\$500,000	\$500,000	\$500,000	\$500,000	\$0
Berry	100.0%		\$573,401	\$573,401	\$573,401	\$0	\$573,401
Black Earth	100.0%		\$0	\$0	\$0	\$0	\$0
Blooming Grove	100.0%		\$249,884	\$249,884	\$249,884	\$0	\$249,884
Blue Mounds	100.0%		\$110,437	\$110,437	\$110,437	\$0	\$110,437
Bristol	100.0%		\$316,177	\$316,177	\$316,177	\$0	\$316,177
Burke	100.0%		\$2,255,000	\$2,255,000	\$2,255,000	\$2,085,000	\$170,000
Christiana	100.0%		\$0	\$0	\$0	\$0	\$0
Cottage Grove	100.0%		\$1,515,000	\$1,515,000	\$1,515,000	\$0	\$1,515,000
Cross Plains	100.0%		\$1,018,783	\$1,018,783	\$1,018,783	\$0	\$1,018,783
Dane	100.0%		\$0	\$0	\$0	\$0	\$0
Deerfield	100.0%		\$469,000	\$469,000	\$469,000	\$0	\$469,000
Dunkirk	100.0%		\$0	\$0	\$0	\$0	\$0
Dunn	100.0%		\$3,207,516	\$3,207,516	\$3,207,516	\$2,370,000	\$837,516
Madison	100.0%		\$7,578,925	\$7,578,925	\$7,578,925	\$0	\$7,578,925
Mazomanie	100.0%		\$201,774	\$201,774	\$201,774	\$0	\$201,774
Medina	100.0%		\$775,789	\$775,789	\$775,789	\$0	\$775,789
Middleton	100.0%		\$2,220,000	\$2,220,000	\$2,220,000	\$0	\$2,220,000
Montrose	100.0%		\$104,181	\$104,181	\$104,181	\$0	\$104,181
Oregon	100.0%		\$48,761	\$48,761	\$48,761	\$0	\$48,761

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2003

Governmental Unit	Percentage of Valuation Within	Total Debt	Gross Debt Applicable To Valuation Within	Exclusions (1) Applicable To Valuation Within	Net Debt Applicable To Valuation Within
GROSS OVERLAPPING DEBT (Continued)					
Perry	100.0%	\$193,145	\$193,145	\$0	\$193,145
Pleasant Springs	100.0%	\$0	\$0	\$0	\$0
Primrose	100.0%	\$0	\$0	\$0	\$0
Roxbury	100.0%	\$0	\$0	\$0	\$0
Rutland	100.0%	\$26,622	\$26,622	\$0	\$26,622
Springdale	100.0%	\$62,011	\$62,011	\$0	\$62,011
Springfield	100.0%	\$10,000	\$10,000	\$0	\$10,000
Sun Prairie	100.0%	\$144,165	\$144,165	\$0	\$144,165
Vermont	100.0%	\$0	\$0	\$0	\$0
Verona	100.0%	\$0	\$0	\$0	\$0
Vienna	100.0%	\$1,203,307	\$1,203,307	\$0	\$1,203,307
Westport	100.0%	\$2,875,133	\$2,875,133	\$0	\$2,875,133
Windsor	100.0%	\$3,663,622	\$3,663,622	\$1,019,588	\$2,644,034
York	100.0%	\$167,649	\$167,649	\$0	\$167,649
Total for Towns		\$29,490,282	\$29,490,282	\$5,974,588	\$23,515,694
School Districts					
Barneveld	1.1%	\$1,530,000	\$16,830	\$0	\$16,830
Belleville	68.7%	\$5,990,778	\$4,115,664	\$0	\$4,115,664
Cambridge	44.7%	\$15,255,000	\$6,818,985	\$0	\$6,818,985
Columbus	9.2%	\$5,445,000	\$500,940	\$0	\$500,940
Deerfield Community	100.0%	\$12,715,549	\$12,715,549	\$0	\$12,715,549
DeForest Area	96.0%	\$41,492,000	\$39,832,320	\$0	\$39,832,320
Edgerton	20.5%	\$12,265,000	\$2,514,325	\$0	\$2,514,325
Evansville Community	0.1%	\$28,798,072	\$28,798	\$0	\$28,798
Lodi	16.3%	\$21,870,000	\$3,564,810	\$0	\$3,564,810
Madison Metropolitan	100.0%	\$42,700,000	\$42,700,000	\$0	\$42,700,000
Marshall et al	100.0%	\$20,990,000	\$20,990,000	\$0	\$20,990,000
McFarland	100.0%	\$0	\$0	\$0	\$0
Middleton-Cross Plains	100.0%	\$42,855,000	\$42,855,000	\$0	\$42,855,000

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2003

Governmental Unit	Percentage of Valuation Within	Dane County	Total Debt Outstanding	Gross Debt Applicable To Valuation Within Dane County	Exclusions (1) Applicable To Valuation Within Dane County	Net Debt Applicable To Valuation Within Dane County
GROSS OVERLAPPING DEBT (Continued)						
Monona Grove	100.0%		\$34,860,000	\$34,860,000	\$0	\$34,860,000
Mount Horeb Area	99.7%		\$26,514,000	\$26,434,458	\$0	\$26,434,458
New Glarus	12.0%		\$7,375,000	\$885,000	\$0	\$885,000
Oregon	96.3%		\$41,320,000	\$39,791,160	\$0	\$39,791,160
Pecatonica Area	2.9%		\$3,625,000	\$105,125	\$0	\$105,125
Poynette	0.2%		\$8,570,000	\$17,140	\$0	\$17,140
River Valley	0.1%		\$7,915,000	\$7,915	\$0	\$7,915
Sauk Prairie	13.8%		\$15,235,000	\$2,102,430	\$0	\$2,102,430
Stoughton Area	99.1%		\$30,793,000	\$30,515,863	\$0	\$30,515,863
Sun Prairie et al	99.9%		\$42,271,217	\$42,228,946	\$0	\$42,228,946
Verona Area	100.0%		\$32,672,240	\$32,672,240	\$0	\$32,672,240
Waterloo	4.4%		\$3,138,147	\$138,078	\$0	\$138,078
Waunakee Community	100.0%		\$17,712,695	\$17,712,695	\$0	\$17,712,695
Wisconsin Heights	97.0%		\$6,330,000	\$6,140,100	\$0	\$6,140,100
MATC, District 4	67.8%		\$20,404,537	\$13,834,276	\$0	\$13,834,276
Total for School Districts			\$550,642,235	\$424,098,647	\$0	\$424,098,647
Sanitary Districts						
ABS Sanitary District	100.0%		\$0	\$0	\$0	\$0
Dunn Sanitary District # 3	100.0%		\$25,825	\$25,825	\$0	\$25,825
Dunn Sanitary District # 4	100.0%		\$0	\$0	\$0	\$0
Hidden Springs Sanitary Dist	100.0%		\$0	\$0	\$0	\$0
Kegonsa Sanitary District	100.0%		\$0	\$0	\$0	\$0
Lake Windsor Sanitary Distric	100.0%		\$0	\$0	\$0	\$0
Madison Metropolitan Sewer:	100.0%		\$42,323,252	\$42,323,252	\$0	\$42,323,252
Middleton Sanitary District # :	100.0%		\$0	\$0	\$0	\$0
Middleton Sanitary District # t	100.0%		\$0	\$0	\$0	\$0
Morrisonville Sanitary District	100.0%		\$297,284	\$297,284	\$0	\$297,284
Oak Springs Sanitary District	100.0%		\$0	\$0	\$0	\$0

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2003

Governmental Unit	Percentage of Valuation Within Dane County	Total Debt Outstanding	Gross Debt Applicable To Valuation Within Dane County	Exclusions (1) Applicable To Valuation Within Dane County	Net Debt Applicable To Valuation Within Dane County
GROSS OVERLAPPING DEBT (Continued)					
Oakridge Sanitary District	100.0%	\$0	\$0	\$0	\$0
Pleasant Springs Sanitary District	100.0%	\$1,543,312	\$1,543,312	\$0	\$1,543,312
Roxbury Sanitary District	100.0%	\$767,651	\$767,651	\$0	\$767,651
Windsor Sanitary District # 1	100.0%	\$0	\$0	\$0	\$0
Windsor Sanitary District # 3	100.0%	\$0	\$0	\$0	\$0
Total for Sanitary Districts		\$44,957,324	\$44,957,324	\$0	\$44,957,324
TOTAL GROSS OVERLAPPING DEBT					
		\$1,306,178,094	\$1,164,075,103	\$206,211,885	\$957,863,218
TOTAL DIRECT AND OVERLAPPING DEBT					
- ALL JURISDICTIONS		\$1,498,814,497	\$1,356,711,506	\$274,993,860	\$1,081,717,646

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

(Continued from previous page)

TABLE 10

COUNTY OF DANE

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

Fiscal Year	LAST TEN FISCAL YEARS				Ratio of Debt Service To Total General Governmental Expenditures
	Principal	Interest (2)	Total Debt Service (3)	Total General Governmental Expenditures (4)	
1994	\$6,135,463	\$2,005,196	\$8,140,659	\$215,780,053	3.773%
1995	\$4,479,529	\$3,480,213	\$7,959,742	\$229,539,132	3.468%
1996	\$9,159,820	\$3,936,299	\$13,096,119	\$239,795,459	5.461%
1997	\$6,279,955	\$3,601,488	\$9,881,443	\$241,879,414	4.085%
1998	\$6,467,499	\$3,217,081	\$9,684,580	\$256,102,577	3.782%
1999	\$6,287,389	\$3,112,955	\$9,400,344	\$273,351,016	3.439%
2000	\$6,289,377	\$2,914,486	\$9,203,863	\$289,684,667	3.177%
2001	\$6,592,611	\$3,119,871	\$9,712,482	\$310,201,263	3.131%
2002	\$7,751,891	\$3,046,211	\$10,798,102	\$313,894,639	3.440%
2003	\$14,934,923	\$4,589,066	\$19,523,989	\$342,645,297	5.698%

(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, 2003 (1)

Fiscal Year	Principal	Interest	Total Requirement
1994	\$6,520,661	\$2,364,191	\$8,884,852
1995	\$5,863,777	\$4,172,220	\$10,025,997
1996	\$7,662,801	\$4,438,546	\$12,101,347
1997	\$7,922,157	\$4,146,748	\$12,068,905
1998	\$8,355,843	\$3,732,275	\$12,088,118
1999	\$8,194,365	\$3,431,459	\$11,625,824
2000	\$8,336,574	\$3,222,134	\$11,558,708
2001	\$8,454,019	\$3,260,209	\$11,714,228
2002	\$8,596,550	\$3,195,696	\$11,792,246
2003	\$15,939,227	\$6,593,359	\$22,532,586
2004	\$10,937,031	\$8,930,288	\$19,867,319
2005	\$14,726,157	\$7,853,137	\$22,579,294
2006	\$12,618,214	\$7,325,870	\$19,944,083
2007	\$11,740,000	\$6,856,979	\$18,596,979
2008	\$11,415,000	\$6,394,361	\$17,809,361
2009	\$10,795,000	\$5,691,179	\$16,486,179
2010	\$10,610,000	\$5,491,789	\$16,101,789
2011	\$11,610,000	\$4,997,670	\$16,607,670
2012	\$16,720,000	\$4,500,037	\$21,220,037
2013	\$12,030,000	\$3,716,024	\$15,746,024
2014	\$11,140,000	\$3,181,488	\$14,321,488
2015	\$5,730,000	\$2,783,100	\$8,513,100
2016	\$6,000,000	\$2,507,450	\$8,507,450
2017	\$6,310,000	\$2,218,090	\$8,528,090
2018	\$6,635,000	\$1,907,633	\$8,542,633
2019	\$6,975,000	\$1,572,525	\$8,547,525
2020	\$7,345,000	\$1,211,270	\$8,556,270
2021	\$7,370,000	\$830,309	\$8,200,309
2022	\$7,540,000	\$454,245	\$7,994,245
2023	\$4,390,000	\$106,756	\$4,496,756

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

TABLE 12

COUNTY OF DANE

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Per Capita Income (3)	Education Level in Years of Formal Schooling	School Enrollment (5)	Unemployment Rate (6)
1994	389,677	\$24,437	14.1	65,077	2.3%
1995	393,857	\$26,449	14.1	66,273	1.8%
1996	398,233	\$27,377	14.1	67,175	1.7%
1997	402,988	\$28,764	14.1	68,067	1.7%
1998	407,584	\$30,599	14.1	68,923	1.5%
1999	413,090	\$31,999	14.1	69,416	1.4%
2000	426,526 (2)	\$34,301	14.1	70,107	1.7%
2001	432,654	(4)	14.1	70,370	2.0%
2002	438,881	(4)	14.1	70,947	3.1%
2003	445,253	(4)	14.1	72,764	2.8%

(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		Non-Residential Construction (2)		Residential Construction (3)	
	All Property (1)	Value	# of Permits	Value	# of Permits	Value
1994	\$ 14,895,950,450	\$ 232,500,000	N.A.	\$ 232,500,000	3,809	\$331,438,000
1995	\$ 16,641,953,850	\$ 264,500,000	N.A.	\$ 264,500,000	3,092	\$258,785,000
1996	\$ 18,541,671,550	\$ 370,000,000	N.A.	\$ 370,000,000	2,478	\$265,499,000
1997	\$ 19,905,147,150	\$ 320,000,000	N.A.	\$ 320,000,000	2,593	\$269,409,000
1998	\$ 21,398,730,500	\$ 450,000,000	N.A.	\$ 450,000,000	3,066	\$335,821,000
1999	\$ 22,706,995,850	\$ 407,000,000	N.A.	\$ 407,000,000	3,275	\$374,103,000
2000	\$ 24,076,956,450	\$ 526,000,000	N.A.	\$ 526,000,000	3,636	\$423,024,000
2001	\$ 25,759,648,950	\$ 421,000,000	N.A.	\$ 421,000,000	4,435	\$506,292,000
2002	\$ 28,547,467,250	\$ 468,000,000	N.A.	\$ 468,000,000	4,335	\$594,029,000
2003	\$ 31,108,023,850	\$ 522,000,000	N.A.	\$ 522,000,000	6,117	\$838,524,000

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

(3)

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

TABLE 14

COUNTY OF DANE
PRINCIPAL TAXPAYERS

December 31, 2003

Taxpayer	Type of Business	2002 Equalized Assessed Value	Percentage Of Total Equalized Assessed Valuation
American Family Insurance	Insurance	\$170,570,400	0.60%
Madison Joint Venture	Shopping Center	\$131,622,000	0.46%
University Research Park	Research & Technology Park	\$44,674,200	0.16%
Covance Laboratories	Research	\$34,069,000	0.12%
Western Center Properties	Property Development and Management	\$33,849,900	0.12%
Mattel Inc	Retail Stores	\$32,835,000	0.12%
Waimad Association Limited	Retail Stores	\$31,013,700	0.11%
Cuna Mutual Insurance Society	Insurance	\$31,410,000	0.11%
General Casualty	Insurance	\$30,000,000	0.11%
UW Medical Foundation	Medical School Support	\$28,848,000	0.10%
Totals		\$568,892,200	2.01%

COUNTY OF DANE

SCHEDULE OF INSURANCE IN FORCE

December 31, 2003

Type of Coverage Name of Company	Policy Number	Policy From	Period To	Details of Coverage	Policy Limits	Annual Premium	Deductible
<u>PROPERTY INSURANCE</u>							
Wisconsin Local Government Property Fund	V120012 1	10/1/2003	10/1/2004	Fire and Extended Coverage - County Buildings and Contents	\$309,991,818	\$201,494	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2003	10/1/2004	Collision / Auto	\$1,459,818	\$10,311	\$1,000
Wisconsin Local Government Property Fund	V120012 1	10/1/2003	10/1/2004	Comprehensive Auto	\$13,743,331	\$30,995	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2003	10/1/2004	Livestock (Zoo)	\$345,620	\$1,141	\$100
Wisconsin Local Government Property Fund	V120012 1	10/1/2003	10/1/2004	Contractor's Equipment	\$17,299,001	\$41,345	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2003	10/1/2004	Business Interruption	\$3,100,000	\$1,209	\$500
Wisconsin Local Government Property Fund	V120012 1	10/1/2003	10/1/2004	Builder's Risk	\$65,000,000	\$23,400	\$0
Chubb	7834-27-14	1/1/2003	1/1/2004	Boiler and Machinery - County Buildings	\$30,000,000	\$15,572	\$1,000
Chubb	7834-27-14	1/1/2003	1/1/2004	Business Income	\$4,317,000	\$0	\$0
Zurich	USC3583768	1/1/2003	1/1/2004	Tank Pollution	\$5,000,000	\$9,274	\$5,000

(Continued on next page)

COUNTY OF DANE

SCHEDULE OF INSURANCE IN FORCE

December 31, 2003

SURETY, FIDELITY

Capitol Indemnity	CC00742924	1/1/2003	1/1/2004	Employee Dishonesty Theft - Inside Premises Theft - Outside Premises Robbery of Custodian	\$550,000 \$550,000 \$550,000 \$50,000	\$11,199	\$5,000 \$5,000 \$5,000
Capitol Indemnity	Bond # 744096	1/1/2003	1/1/2004	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	CC00534525	1/1/2003	1/1/2004	ALLIANT ENERGY CRIME RENEWAL	\$25,000	\$1,044	\$500

Total premium for Capitol Indemnity Coverage

\$13,395

LIABILITY INSURANCE

AAU-Federal Insurance Co.	ALI157040	1/1/2003	1/1/2004	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	\$122,820	\$10,000 \$10,000 \$10,000 \$10,000 \$10,000 \$10,000
Utica Mutual Insurance	CPP2930820	1/1/2003	1/1/2004	EMS Automobile - Liability Includes Auto Physical Damage Replacement	\$1,000,000	\$63,184	\$1,000 \$1,000

(Continued on next page)

COUNTY OF DANE

TABLE 15

SCHEDULE OF INSURANCE IN FORCE

		December 31, 2003					
Ins. Co./North America	Policy No.	Effective Date	Termination Date	Description	Amount	Other	Notes
Ins. Co./North America	CPP2930820	1/1/2003	1/1/2004	EMS General Liability	\$2,000,000		N/A
				EMS - Errors & Omissions	\$1,000,000		N/A
Ins. Co./North America	CPP2930820	1/1/2003	1/1/2004	EMS - Excess	\$4,000,000	\$27,317	\$10,000
	WP90010008	1/15/2003	1/15/2004	EMS - Workers' Compensation Code Rate Change	Statutory	\$45,613	N/A
WI Health Care Liability Plan	NM06600056	1/1/2003	1/1/2004	Badger Prairie - Hospital General Liability - Nurses Professional - Umbrella - Bond	\$1,000,000	\$25,636	N/A
					\$3,000,000	\$19,819	N/A
					\$1,000,000	\$1,500	N/A
St Paul		1/1/2003	Unlimited	Tail Coverage	\$18,376		
Wisconsin Municipal Mutual Insurance Company	WI98CS11A	1/1/2003	1/1/2004	General Liability	\$5,000,000	\$278,627	\$250,000 (A)
Wisconsin Municipal Mutual Insurance Company	WI98CS11A	1/1/2003	1/1/2004	Auto Liability	\$5,000,000	\$57,607	\$250,000 (A)
Wisconsin Municipal Mutual Insurance Company	WI98EO11A	1/1/2003	1/1/2004	Errors & Omissions	\$5,000,000	\$47,814	\$250,000 (A)
Wisconsin Municipal Mutual Insurance Company	SP-3375-WI	1/1/2003	1/1/2004	Workers Comp Excess	\$1,000,000	\$77,619	\$250,000
General Casualty	GA2259410	4/1/2003	4/1/2004	AERO Model Flyers	\$500,000	\$187	
General Casualty	GA2572653	6/1/2003	6/1/2004	Take a Stake in the Lake	\$500,000	\$500	

(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, 2003

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Gary H. Hamblin	Sheriff	\$101,017
Kathleen M. Faik	County Executive	\$83,395
Judith A. Coleman	Clerk of Court	\$71,451
John Stanley	Coroner	\$65,292
Joseph T. Parisi	County Clerk	\$65,292
Jane C. Licht	Register of Deeds	\$65,292
Dave Gawenda	Treasurer	\$69,196
Brian Blanchard	District Attorney	NA (1)
Kevin R. Kesterson	County Board Chair	\$24,000
(38 members - see list of principal officials)	County Board Supervisors	\$7,000 (2)

NON-ELECTED OFFICIALS (3)

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
William J. DiCarlo	Executive Director - Alliant Energy Center	\$115,258
Bradley Livingston	Airport Director	\$125,489
Marcia Mackenzie	Corporation Counsel	\$99,243
John A. Norwell	Highway & Transportation Commissioner	\$94,315
Lynn Green	Director, Department of Human Services	\$98,220
Bonnie Hammersley	Director of Administration	\$92,645
Darren Marsh	Director of Parks (Acting) (5)	\$78,864
Todd Violante	Planning & Development Director (Acting) (5)	\$74,583
Richard Ellingson	Director of Public Safety Communications	\$78,571
Michael R. Jackson	Veterans Service Officer	\$65,480

(Continued on next page)

TABLE 16

COUNTY OF DANE
 SALARY RANGES OF PRINCIPAL OFFICIALS
 AS OF DECEMBER 31, 2003

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	\$73,205	\$95,505
Liz Green	Division Manager, Economic Assistance & Work Services	\$73,205	\$95,505
Vacant	Division Manager, Youth & Family Services	\$73,205	\$95,505
Louis F. Genter	Division Manager, Adult Community Services	\$73,205	\$95,505
Gareth R. Johnson	Division Manager, Public Health Services	\$63,955	\$83,436
Charles Hicklin	Controller	\$73,205	\$95,505
John Schraufnagel	Director of Public Works (Acting)	\$73,205	\$95,505
Ralph J. Guerin	Family Court Commissioner (4)	\$73,205	\$95,505
James P. Moeser	Juvenile Court Administrator	\$68,445	\$89,304
Kevin F. Connors	County Conservator	\$63,955	\$83,436
Kathleen Jeffords	Family Court Counseling Manager	\$63,955	\$83,436
Julie A. Chase	Library Director	\$63,955	\$83,436
James Hubing	Zoo Director (Interim)	\$63,955	\$83,436
Kathy M. Krusiec	Emergency Planning Director	\$55,457	\$72,078
Lee Cunningham	County Extension Director (4)	\$30,800	\$40,187

(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 45% of the salary range \$68,445 - \$89,304 from Dane County and additional salary from the state and federal governments

(5) Annual Salary is last negotiated salary for that contracted position
 (Continued from previous page)

TABLE 17

COUNTY OF DANE

MISCELLANEOUS STATISTICS

December 31, 2003

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	7,112.74
Greenspace:	Number of Acres for which Development Rights are Owned	512.85
Employees:	Full-time Equivalent	2,099.37