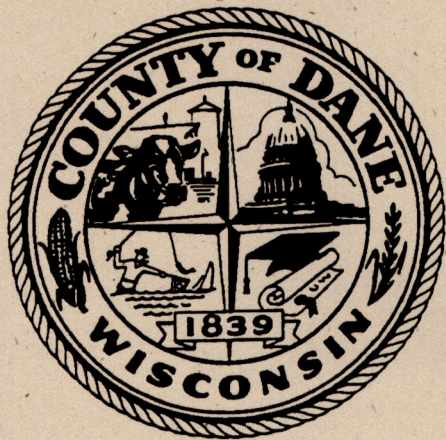


COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT



County of Dane
Wisconsin

FOR THE YEAR ENDED DECEMBER 31, 2004

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE**

**COUNTY OF DANE
WISCONSIN**

Year Ended
December 31, 2004

CONTROLLER'S OFFICE

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

COUNTY OF DANE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2004

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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 22, 2005

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, 2004 is submitted herewith. This report was prepared by the Controller's Office.

MANAGEMENT REPRESENTATIONS

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

We believe the financial information, as presented:

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

REPORT ORGANIZATION

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

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

Financial Section - This section includes the following:

Independent Auditors' Report

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

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

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

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

THE REPORTING ENTITY

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

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

ECONOMIC CONDITION AND OUTLOOK

Dane County was created by the first Wisconsin territorial legislature in 1836 and was organized as a separate governmental unit in 1839. With a population of 450,730, 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 49.1% of the County's population and 46.1% 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 2,887 and the amount of land used in farms with 515,475 acres. The average farm consists of 178 acres. Dane County agriculture has the following rankings within the state: first in corn for grain and tobacco; second in number of farms, land in farms and soybeans; third in pounds of milk produced and cattle, calves; fourth in the number of milk cows, hogs and pigs. Dane County's agriculture functions with almost no irrigation.

Dane County has a rapidly growing high-tech business community that currently includes more than 450 firms employing 25,000 in 2004. 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 2004, the University of Wisconsin-Madison received more than \$909.6 million in extramural support for research from federal, state and private sources. According to latest figures available from the National Science Foundation, the University of Wisconsin-Madison is the fourth largest funded research university in the country.

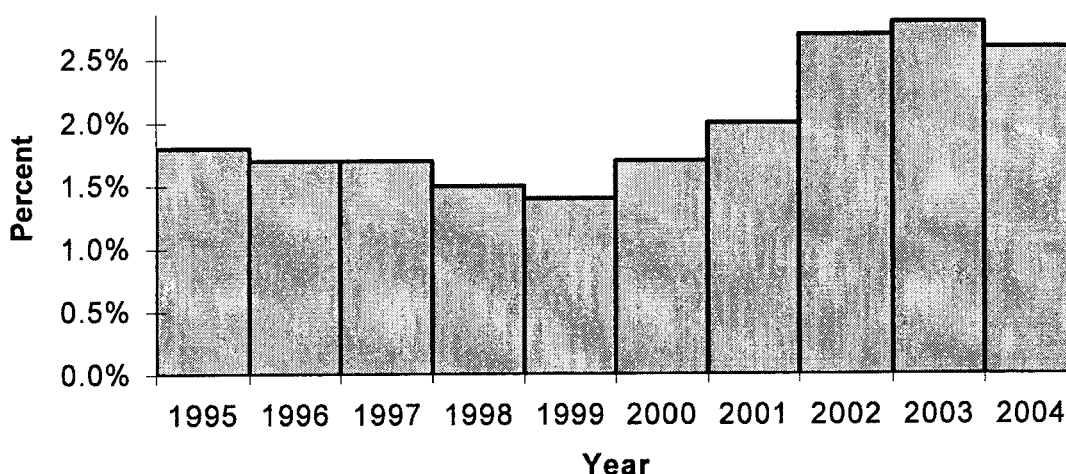
Dane County is the home office of the Oscar Mayer Foods Corporation, a leading national meat processing company; Cuna Mutual & Subsidiaries, providing insurance and services to credit unions throughout the world; American Family Insurance; and many other businesses and industries.

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

The 2004 annual average unemployment rate in Dane County, at 2.6% is consistently below state and national averages. The low unemployment rate can be attributed to the stability of the workforce and type of business located in the County.

Dane County Unemployment

(source: State of Wisconsin Department of Workforce Development)



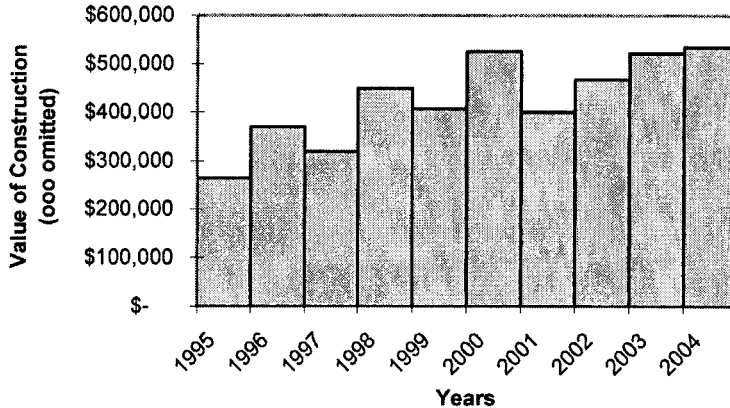
Dane County Employment by Industry

(source: Wisconsin Department of Workforce Development and Greater Madison Chamber of Commerce)

| Industry Type | Annual Average | | | | | |
|---|----------------|---------|---------|---------|---------|---------|
| | 1990 | | 2000 | | 2004 | |
| | Number | % Total | Number | % Total | Number | % Total |
| Manufacturing | 25,024 | 12.02% | 26,418 | 10.73% | 27,171 | 9.68% |
| Construction | 14,603 | 7.02% | 15,572 | 6.33% | 16,680 | 5.94% |
| Transportation, Communication & Utilities | 11,100 | 5.33% | 15,988 | 6.50% | 8,340 | 2.97% |
| Wholesale & Retail Trade | 42,232 | 20.29% | 51,092 | 20.76% | 41,612 | 14.82% |
| Finance, Insurance & Real Estate | 18,798 | 9.03% | 22,755 | 9.25% | 26,584 | 9.47% |
| Services | 81,483 | 39.14% | 98,264 | 39.94% | 136,821 | 48.75% |
| Government | 14,928 | 7.17% | 15,975 | 6.49% | 23,491 | 8.37% |
| Totals | 208,168 | 100.00% | 246,064 | 100.00% | 280,699 | 100.00% |

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 2004, as reported in the Construction Activity Report published by MGE, included: the EPIC System Headquarters (\$50 million), Construction of the East Main/Block 89 project (\$12 million), and the Cereal Crop Research Facility (\$8.7 million).

NON-RESIDENTIAL CONSTRUCTION



source: Madison Gas and Electric – Construction Activity Report

MAJOR INITIATIVES

During 2004, the county continued with the development of the new Justice Center project. The Justice Center is under construction 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 2004 capital budget included over \$4.25 million for the project. The Justice Center is expected to be completed in late 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. 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 2004.

GENERAL GOVERNMENT FUNCTIONS

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

PROPRIETARY TYPE OPERATIONS

Enterprise funds account for operations where the intent of the County is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where periodic measurement of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The enterprise operations of the County consist of these entities: the Dane County Regional Airport, Badger Prairie Health Care Center, Highway & Transportation, Printing and Services, Methane Gas and the Sanitary Landfill.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments on a cost reimbursement basis. The internal service funds of the County include Worker's Compensation Self-Insurance Program, Consolidated Food Services, Liability Self-Insurance Program, and Employee Benefits. The Firearms Training Center fund was closed into the General Fund in 2004.

FIDUCIARY FUNDS

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

DEBT ADMINISTRATION

All debt outstanding is a general obligation of the County for which an irrevocable, irrevocable tax has been levied at the time of the borrowing to be included in future tax levies, sufficient to repay the principal and interest payments as they become due. Under Wisconsin State Statutes, Chapter 67, Dane County's aggregate indebtedness may not exceed 5% of the equalized value of taxable property located in the County.

CASH MANAGEMENT

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

RISK MANAGEMENT

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

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

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

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

The allocation system is based on the following financial policies:

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

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

INDEPENDENT AUDIT

The County has retained the services of Virchow, Krause & Company, LLP to perform an independent audit of the County's financial records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of Dane for the fiscal year ended December 31, 2004, 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, 2004, 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-second consecutive year that Dane County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

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

Respectfully submitted,



Charles Hicklin
Controller

COUNTY OF DANE
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2004

COUNTY OF DANE
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2004

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 | Beth Gross |
| 3 | Elaine DeSmidt |
| 4 | Brett D. Hulsey |
| 5 | Echnaton Vedder |
| 6 | John E. Hendrick |
| 7 | David J. Blaska |
| 8 | Robert Fyrst |
| 9 | Ruth Ann Schoer |
| 10 | David Worzala |
| 11 | Alfred Matano |
| 12 | Paul Rusk |
| 13 | Chuck Erickson |
| 14 | Michael Hanson |
| 15 | Richard Brown |
| 16 | Dave DeFelice |
| 17 | Andy Olsen |
| 18 | Dorothy Wheeler |
| 19 | Jeff Kostelic |
| 20 | Duane Gau |
| 21 | David E. Wiganowsky |
| 22 | Dennis J. O'Loughlin |
| 23 | Don Eggert |

(Continued on next page)

COUNTY OF DANE
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2004

(Continued)

COUNTY BOARD SUPERVISORS

| <u>Supervisory District</u> | <u>Name</u> |
|------------------------------------|---------------------------|
| 24 | Bill Graf |
| 25 | Eileen Bruskewitz |
| 26 | Mark M. Opitz |
| 27 | Kyle Richmond |
| 28 | Vernon W. Wendt |
| 29 | David J. Ripp |
| 30 | William E. Hitzemann |
| 31 | Gerald Jensen |
| 32 | Mike Willett |
| 33 | Jack Martz |
| 34 | Kevin R. Kesterson, Chair |
| 35 | Donna Vogel |
| 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, 2004

(Continued)

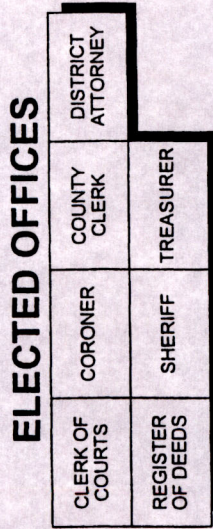
NONELECTED OFFICIALS

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

(Continued from previous page)

ORGANIZATION OF DANE COUNTY GOVERNMENT

CITIZENS



STANDING COMMITTEES

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

COMMITTEES OF THE COUNTY BOARD

| | | | | |
|-------------------------------|--|-----------------------------|--------------------------------|---------------------------------------|
| City-County Liaison Committee | Information Resources Management Committee | Land Conservation Committee | University Extension Committee | Strategic Growth Management Committee |
|-------------------------------|--|-----------------------------|--------------------------------|---------------------------------------|

DEPARTMENTS

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

BOARDS & COMMISSIONS

| | | | | | | | | | |
|---|--|---|---|--|--------------------------------|-----------------------------------|---|------------------------------------|--|
| Agricultural Advisory Council | Airport Commission | Alliant Energy Center Commission | Board of Health | B.U.I.D. Committee | Children Come First Commission | Civil Service Commission | Commission on Aging | Commission on Sensitive Crimes | Community Development Block Grant Commission |
| Coordinating Council | Cultural Affairs Commission | Economic Summit Council | Emergency Medical Services Commission | Employee Management Insurance Advisory Committee | Environmental Council | Equal Opportunities Commission | Ethics Board | Henry Vilas Zoo Commission | Historic Preservation Committee |
| Housing Authority | Human Services Board | Joint City-County Section 8 Rental Housing Provider Advisory Commn. | Joint Public Health Advisory Committee | Justice Center Planning Oversight Committee | Lakes & Watershed Commission | Land Information Office Committee | Library Board | Living Wage Review Council | Local Emergency Planning Committee |
| Long Term Support Committee | Monona Terrace Convention & Community Center Board | North Mendota Parkway Advisory Committee | Public Safety Communications Center Board | Public Safety Comm. Oper. Practices Advisory Committee | 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 | Tree Board | Veterans Service Commission | W-2 Community Steering Committee | Wisconsin River Rail Transit Commission | Women's Issues Committee | Youth Commission |

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Dane,
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

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.



Nancy L. Zjelle

President

Jeffrey R. Enos

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 units, each major fund, and the aggregate remaining fund information of the County of Dane, Wisconsin, as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Dane's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dane County Housing Authority or the Henry Vilas Park Zoological Society, Inc., the discretely presented component units of the County of Dane. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dane County Housing Authority and the Henry Vilas Park Zoological Society, Inc., are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Henry Vilas Park Zoological Society, Inc., as audited by other auditors, were not audited in accordance to the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dane, Wisconsin at December 31, 2004, 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.

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

In accordance with *Government Auditing Standards*, we have issued a report on our consideration of the County of Dane's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the result of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 15 and 87 through 91 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we 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.

Virehow, Krause & Company, LLP

Madison, Wisconsin
April 22, 2005

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2004

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, 2004. We encourage readers to consider the information presented here in conjunction with the county's financial statements and the additional information that we have furnished in our letter of transmittal, which can be found on pages i to vii of this report.

FINANCIAL HIGHLIGHTS

- The assets of the County of Dane exceeded its liabilities at the close of the most recent fiscal year by \$333,549,239 (*net assets*). Of this amount, \$19,824,227 (*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 \$27,504,081.
- As of the close of the current fiscal year, the County of Dane's governmental funds reported combined ending fund balances of \$56,991,274, a decrease of \$7,847,118 in comparison with the prior year. Approximately 65% of this amount, \$37,056,144 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 \$20,794,750 or approximately 18% 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, 2004

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

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

The government-wide financial statements can be found on pages 16 to 18 of this report.

Fund Financial Statements

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

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

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2004

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 19 to 21 of this report.

Proprietary Funds – The county maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses enterprise funds to account for its Airport, Highway, Sanitary Landfill, Badger Prairie Health Care Center, Printing and Services, and Methane Gas activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the county's various functions. The county uses its internal service funds to account for its Workers' Compensation, Liability Insurance, Employee Benefits, 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 22 to 31 of this report.

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

The basic fiduciary fund financial statements can be found on pages 32 to 33 of this report.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2004

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 36 to 86 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 87 to 91 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, proprietary funds, internal service funds and other information related to the individual funds are presented immediately following the required supplementary information. Combining and individual statements and schedules can be found on pages 92 to 122 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 \$333,549,239 as of December 31, 2004.

The largest portion of the county's net assets (approximately 89%) 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 5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$19,824,227 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, 2004

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 |
|-----------------------------|-----------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|-------------------|
| | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | |
| Current and Other Assets | \$ 200.6 | \$ 190.8 | \$ 92.7 | \$ 78.6 | \$ 293.3 | \$ 269.4 | -8.2% |
| Capital Assets | <u>225.5</u> | <u>248.8</u> | <u>162.6</u> | <u>185.8</u> | <u>388.1</u> | <u>434.6</u> | 12.0% |
| Total Assets | <u>426.1</u> | <u>439.6</u> | <u>255.3</u> | <u>264.4</u> | <u>681.4</u> | <u>704.0</u> | 3.3% |
| Long-term Liabilities | 145.9 | 141.5 | 69.0 | 66.7 | 214.9 | 208.2 | -3.1% |
| Other Liabilities | <u>147.4</u> | <u>145.1</u> | <u>12.7</u> | <u>17.1</u> | <u>160.1</u> | <u>162.2</u> | 1.3% |
| Total Liabilities | <u>293.3</u> | <u>286.7</u> | <u>81.7</u> | <u>83.7</u> | <u>375.0</u> | <u>370.4</u> | -1.2% |
| Net Assets: | | | | | | | |
| Invested in Capital Assets, | | | | | | | |
| Net of Related Debt | 147.9 | 159.5 | 136.3 | 136.8 | 284.2 | 296.3 | 4.3% |
| Restricted | 2.7 | 7.6 | 0.1 | 9.8 | 2.8 | 17.4 | 521.4% |
| Unrestricted (deficit) | <u>(17.8)</u> | <u>(14.2)</u> | <u>37.2</u> | <u>34.0</u> | <u>19.4</u> | <u>19.8</u> | 2.1% |
| Total Net Assets | <u>\$ 132.8</u> | <u>\$ 152.9</u> | <u>\$ 173.6</u> | <u>\$ 180.6</u> | <u>\$ 306.4</u> | <u>\$ 333.5</u> | 8.8% |

Analysis of the county's Operations – The following table provides a summary of the county's operations for the year ended December 31, 2004. Governmental activities increased the County of Dane's net assets by \$20,260,115 accounting for approximately 74% 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 \$7,243,966 accounting for 26% 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, 2004

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

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

| | Government Activities | | Business-Type Activities | | Total Primary Government | |
|---|------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|
| | <u>2003</u> | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> | <u>2004</u> |
| Revenues: | | | | | | |
| <u>Program Revenues</u> | | | | | | |
| Charges for services | \$ 28.8 | \$ 28.1 | \$ 34.5 | \$ 37.7 | \$ 63.3 | \$ 65.8 |
| Operating grants | 150.0 | 164.9 | 7.8 | 6.1 | 157.8 | 171.0 |
| Capital grants | 1.5 | 5.8 | 10.0 | 5.9 | 11.5 | 11.7 |
| <u>General Revenues:</u> | | | | | | |
| Property taxes | 89.2 | 93.6 | 3.8 | 3.8 | 93.0 | 97.4 |
| Sales taxes | 39.1 | 41.4 | - | - | 39.1 | 41.4 |
| Other taxes | 3.8 | 4.3 | - | - | 3.8 | 4.3 |
| Intergovernmental | 7.5 | 6.0 | - | - | 7.5 | 6.0 |
| Public gifts & grants | 1.2 | 1.1 | - | - | 1.2 | 1.1 |
| Investment income | 1.6 | 2.3 | 0.7 | 0.8 | 2.3 | 3.1 |
| Gain (Loss) on the sale of assets | 0.2 | 0.0 | - | 0.1 | 0.2 | 0.1 |
| Miscellaneous | <u>2.1</u> | <u>0.5</u> | <u>0.3</u> | <u>0.4</u> | <u>2.4</u> | <u>0.9</u> |
| Total Revenues | <u>325.0</u> | <u>348.0</u> | <u>57.1</u> | <u>54.8</u> | <u>382.1</u> | <u>402.8</u> |
| Expenses: | | | | | | |
| General Government | 22.5 | 21.8 | - | - | 22.5 | 21.8 |
| Health and human services | 190.6 | 195.1 | - | - | 190.6 | 195.1 |
| Public safety & criminal justice | 72.5 | 71.9 | - | - | 72.5 | 71.9 |
| Public works | 4.1 | 3.6 | - | - | 4.1 | 3.6 |
| Culture, education & recreation | 17.4 | 18.0 | - | - | 17.4 | 18.0 |
| Conservation & econ. devel. | 4.3 | 7.8 | - | - | 4.3 | 7.8 |
| Interest & fiscal charges | 5.1 | 6.0 | - | - | 5.1 | 6.0 |
| Highway | - | - | 15.5 | 15.2 | 15.5 | 15.2 |
| Airport | - | - | 11.6 | 12.9 | 11.6 | 12.9 |
| Badger Prairie Health Care Cnt | - | - | 14.1 | 13.7 | 14.1 | 13.7 |
| Sanitary Landfill | - | - | 6.9 | 7.8 | 6.9 | 7.8 |
| Other non-major proprietary funds | <u>-</u> | <u>-</u> | <u>1.4</u> | <u>1.5</u> | <u>1.4</u> | <u>1.5</u> |
| Total Expenses | <u>316.5</u> | <u>324.2</u> | <u>49.5</u> | <u>51.1</u> | <u>366.0</u> | <u>375.3</u> |
| Increase in net assets before transfers | 8.5 | 23.8 | 7.6 | 3.7 | 16.1 | 27.5 |
| Transfers | <u>(2.7)</u> | <u>(3.5)</u> | <u>2.7</u> | <u>3.5</u> | <u>-</u> | <u>-</u> |
| Change in net assets | 5.8 | 20.3 | 10.3 | 7.2 | 16.1 | 27.5 |
| Net Assets - January 1 (as restated) | <u>127.0</u> | <u>132.6</u> | <u>163.3</u> | <u>173.4</u> | <u>290.3</u> | <u>306.0</u> |
| Net Assets - December 31 | <u>\$ 132.8</u> | <u>\$ 152.9</u> | <u>\$ 173.6</u> | <u>\$ 180.6</u> | <u>\$ 306.4</u> | <u>\$ 333.5</u> |

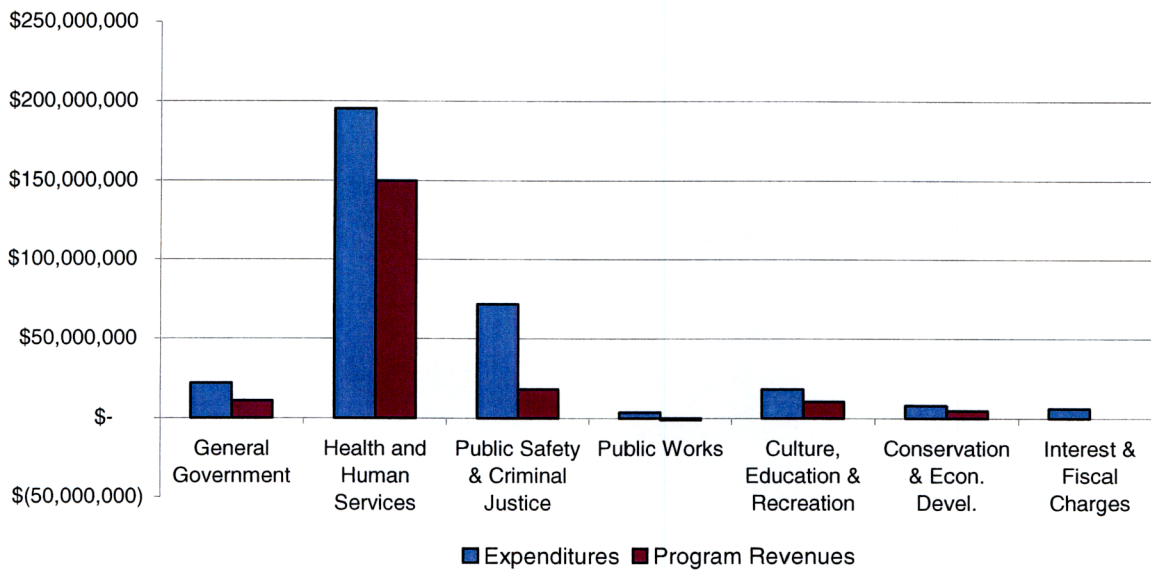
Revenues increased by \$20.7 million from 2003, a significant portion of this is a result of an increase in operating grants received by the County's Human Services department. As a result of the increase in operating grants received, operating grant expenditures for the Human Services department also increased over 2003 by \$4.5 million.

COUNTY OF DANE, WISCONSIN

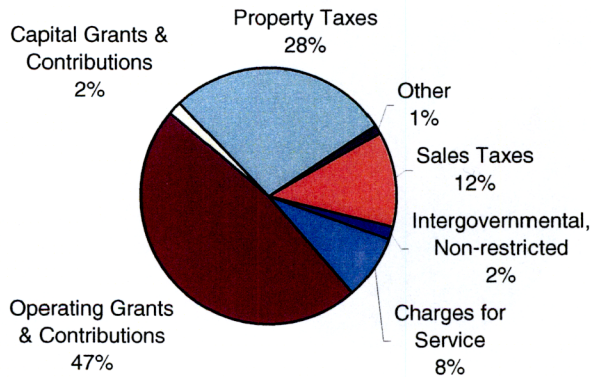
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2004

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

Expenses & Program Revenues-Governmental Activities



Revenue by Source-Gov. Activities

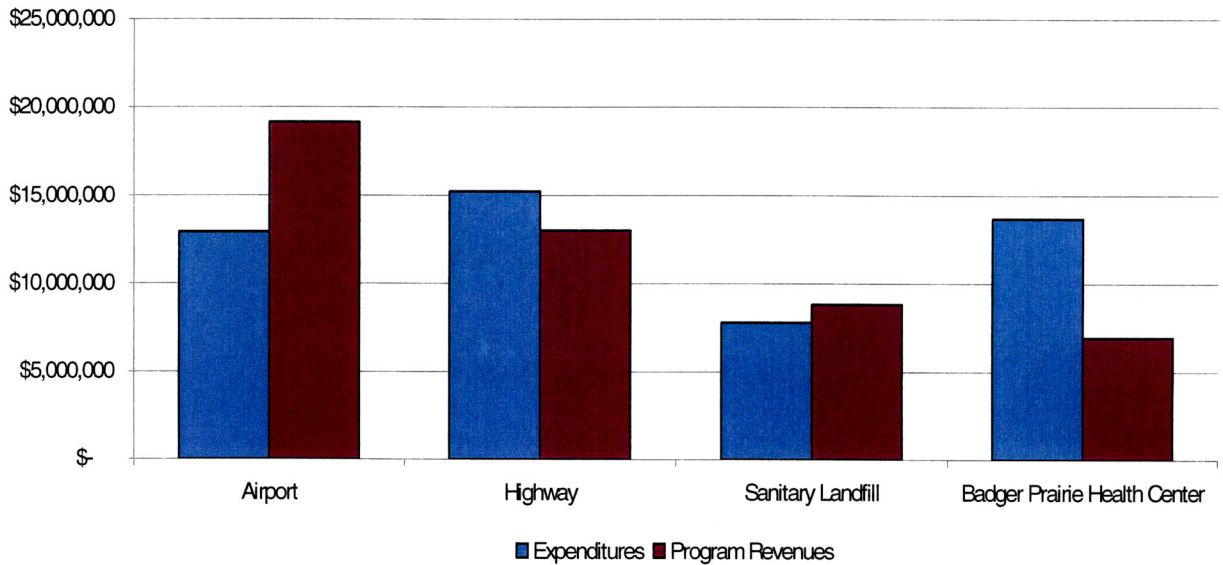


COUNTY OF DANE, WISCONSIN

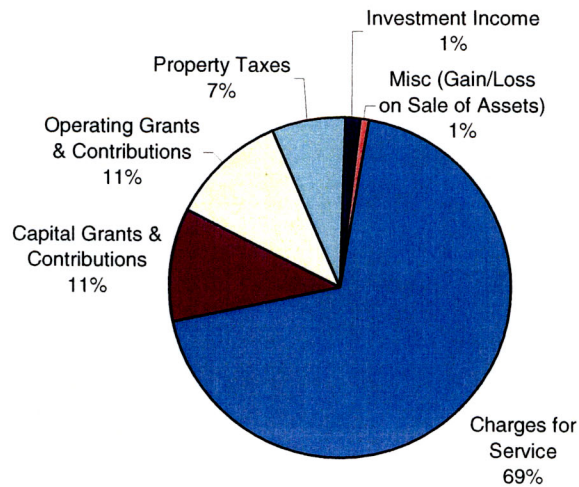
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
For Year Ended December 31, 2004

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, 2004

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 \$56,991,274. Approximately 65% of this total amount, \$37,056,144 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 (\$12,201,428), 2) for prepaid items (\$5,112), 3) delinquent personal property taxes (\$3,569,696), 4) long-term receivables/advances (\$1,135,991), 5) debt retirement (\$2,597,933) and 6) for trust purposes (\$424,970).

Of the \$37,056,144 unreserved fund balance, the use of \$4,553,431 or approximately 12% 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 \$2,309,790.
- The remaining \$2,243,641 is designated for specific activities such as the Alliant Energy Center operations, tax deed sales, and carryforwards to 2005.

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 \$6,525,314 from 2003.

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 \$222,209 from 2003.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2004

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 \$406,492 from 2003.

Capital Projects

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Included in this report is the Justice Center capital projects fund, Dane County Conservation capital projects fund and general capital projects fund. The Capital Projects Fund fund balance decreased \$14,530,515 from 2003. This decrease is due to the application of borrowing proceeds from 2003 that were expended on projects in 2004.

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 \$7,362,639 from 2003. Of this amount, \$2.5 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 \$134,781 over 2003.

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 \$120,282 over 2003. \$1.2 million of the decrease is due to an Operating Transfer from the Sanitary Landfill to the Firearms Training Center Fund to liquidate a long-term advance from the Sanitary Landfill Fund to the Firearms Training Center Fund.

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 \$80,426 from 2003.

COUNTY OF DANE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) For Year Ended December 31, 2004

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations of \$2,668,458 more than the original budget. The total original appropriations, including those for transfers out, were \$177,392,556, while the final appropriations were \$180,061,014. The majority of the difference was related to the appropriation carry forwards for projects not completed by year-end of \$1,700,070. The remaining increase of approximately \$968,388 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 2004, the county had invested a total of \$434,645,296 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 \$34.22 million including primarily due to the construction progress on the County's new courthouse building and the Airport terminal expansion. This amount is net of a \$3.08 transfer from Construction Work in Progress to the land improvement account at the airport.

\$4,454,664 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 | |
|--------------------------|-------------------|------------------|-------------------------------------|------------------|------------------|------------------|
| | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 |
| Land | \$ 47.64 | \$ 52.09 | \$ 29.05 | \$ 29.04 | \$ 76.69 | \$ 81.13 |
| Land Improvements | 29.87 | 31.83 | 61.03 | 60.82 | 90.90 | 92.65 |
| Buildings | 70.06 | 69.44 | 31.89 | 32.93 | 101.95 | 102.37 |
| Zoo Animals | 0.19 | 0.23 | - | - | 0.19 | 0.23 |
| Machinery & Equipment | 4.63 | 5.51 | 13.58 | 16.80 | 18.21 | 22.31 |
| Infrastructure | 52.97 | 54.46 | - | - | 52.97 | 54.46 |
| Construction in Progress | <u>20.21</u> | <u>35.24</u> | <u>27.05</u> | <u>46.24</u> | <u>47.26</u> | <u>81.48</u> |
| Total | <u>\$ 225.56</u> | <u>\$ 248.80</u> | <u>\$ 162.61</u> | <u>\$ 185.83</u> | <u>\$ 388.17</u> | <u>\$ 434.63</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, 2004

LONG-TERM DEBT

During 2004, the county issued \$10,664,573 in bonds and notes and retired debt of \$14,437,032 resulting in \$188,863,944 in outstanding bonds payable at the end of 2004. This results in a per capita general obligation debt of \$419.02/person. Of the bonded debt, \$130,531,753 is to be repaid with general property taxes.

Of the \$10,664,573 in bonds issued in 2004, \$3.48 million was issued to refund the remaining maturities of the series 1998A and series 1999 notes. The remaining \$7,185,000 was issued to fund various projects included in the 2004 capital budget.

Under Wisconsin State Statutes, Chapter 67, Dane County's aggregate indebtedness may not exceed 5% of the equalized value of taxable property located in the County. The net amount of debt that is applicable to the statutory limit is \$188,863,944, which is considerably below the maximum of \$1,740,668,319. The general obligation notes and bonds issued in 2004 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 |
|-------------------------------------|-----------------------|------------------|--------------------------|-----------------|------------------|------------------|----------------|
| | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | |
| General Obligation Debt Outstanding | <u>\$ 133.85</u> | <u>\$ 130.53</u> | <u>\$ 58.79</u> | <u>\$ 58.33</u> | <u>\$ 192.64</u> | <u>\$ 188.86</u> | -1.96% |

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, 2004

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, 2004

| | Primary Government | | | Component Units |
|---|----------------------------|---------------------------------|-----------------------|---------------------|
| | Governmental Activities | Business- type Activities | Totals | |
| ASSETS | | | | |
| Cash and investments | \$ 53,381,738 | \$ 52,205,834 | \$ 105,587,572 | \$ 4,362,540 |
| Receivables (net of allowance for uncollectibles) | | | | |
| Taxes | 96,357,629 | 4,499,824 | 100,857,453 | - |
| Delinquent taxes | 6,509,519 | - | 6,509,519 | - |
| Accounts | 3,128,640 | 3,497,312 | 6,625,952 | 23,246 |
| Loans | 3,380,825 | - | 3,380,825 | 228,100 |
| Other | 1,292,731 | - | 1,292,731 | 7,865 |
| Due from other governmental units | 24,641,908 | 1,128,741 | 25,770,649 | 67,805 |
| Internal balances | (111,298) | 111,298 | - | - |
| Inventories | - | 2,031,680 | 2,031,680 | 159,020 |
| Prepaid items | 5,112 | 8,125 | 13,237 | 5,438 |
| Deposits | 50,000 | - | 50,000 | - |
| Restricted Assets | | | | |
| Temporarily Restricted | | | | |
| Cash and investments | - | 14,644,144 | 14,644,144 | 179,618 |
| Deposit with Wisconsin Mutual Insurance Co. | 1,809,171 | - | 1,809,171 | - |
| Other assets | 340,110 | 411,694 | 751,804 | - |
| Capital Assets | | | | |
| Land | 52,090,296 | 29,043,177 | 81,133,473 | 1,191,500 |
| Construction in progress | 35,242,092 | 46,244,975 | 81,487,067 | 19,926 |
| Land Improvements | 36,398,091 | 105,998,324 | 142,396,415 | - |
| Buildings | 105,599,122 | 49,384,589 | 154,983,711 | 5,824,604 |
| Zoo animals | 364,450 | - | 364,450 | - |
| Machinery and equipment | 19,009,259 | 36,243,556 | 55,252,815 | 354,549 |
| Infrastructure | 83,177,068 | - | 83,177,068 | - |
| Less: accumulated depreciation | (83,073,649) | (81,076,054) | (164,149,703) | (4,899,027) |
| Total Assets | 439,592,814 | 264,377,219 | 703,970,033 | 7,525,184 |
| LIABILITIES | | | | |
| Accounts payable | 13,305,322 | 2,442,587 | 15,747,909 | 1,123,719 |
| Accrued payroll and payroll taxes | 3,831,360 | 464,019 | 4,295,379 | - |
| Other accrued liabilities and deposits | 5,531,923 | 392,006 | 5,923,929 | 57,388 |
| Due to other governmental units | 4,247,350 | 4,339,946 | 8,587,296 | 169,296 |
| Unearned revenue | 98,268,824 | 4,571,917 | 102,840,741 | 362,891 |
| Noncurrent liabilities: | | | | |
| Due within one year | 19,963,457 | 4,844,178 | 24,807,635 | 45,591 |
| Due in more than one year | 141,539,536 | 66,678,369 | 208,217,905 | 294,987 |
| Total Liabilities | 286,687,772 | 83,733,022 | 370,420,794 | 2,053,872 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 159,486,421 | 136,836,939 | 296,323,360 | 2,256,528 |
| Restricted for: | | | | |
| Debt service | 1,132,310 | - | 1,132,310 | - |
| Health services | 806,885 | - | 806,885 | - |
| Library operations | 78,646 | - | 78,646 | - |
| Improvement of land information | 2,085,233 | - | 2,085,233 | - |
| Construction or repairs to bridges and culverts | 35,428 | - | 35,428 | - |
| CDBG | 1,999,424 | - | 1,999,424 | - |
| HOME | 463,807 | - | 463,807 | - |
| Grant funding proceeds | 568,497 | - | 568,497 | - |
| Trust activities | 424,970 | - | 424,970 | - |
| Capital projects | - | 9,765,303 | 9,765,303 | - |
| Landfill long-term care costs | - | 41,149 | 41,149 | - |
| Zoo exhibits | - | - | - | 42,800 |
| Housing programs | - | - | - | 307,974 |
| Unrestricted (deficit) | (14,176,579) | 34,000,806 | 19,824,227 | 2,864,010 |
| TOTAL NET ASSETS | \$ 152,905,042 | \$ 180,644,197 | \$ 333,549,239 | \$ 5,471,312 |

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2004

| Functions/Programs | Expenses | Program Revenues | | |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental Activities | | | | |
| General government | \$ 21,753,146 | \$ 5,026,514 | \$ 5,635,594 | \$ - |
| Health and human services | 195,108,164 | 2,966,910 | 146,780,089 | - |
| Public safety and criminal justice | 71,884,919 | 8,575,388 | 9,379,102 | - |
| Public works | 3,627,986 | 795,824 | - | 4,680,036 |
| Culture, education and recreation | 17,982,719 | 8,882,973 | 316,961 | 1,148,850 |
| Conservation and economic development | 7,816,986 | 1,807,822 | 2,782,584 | - |
| Interest and fiscal charges | 6,039,474 | - | - | - |
| Total Governmental Activities | 324,213,394 | 28,055,431 | 164,894,330 | 5,828,886 |
| Business-type Activities | | | | |
| Airport | 12,906,266 | 13,167,358 | 14,050 | 5,947,595 |
| Highway | 15,223,650 | 8,020,417 | 4,975,144 | - |
| Sanitary landfill | 7,783,256 | 8,833,689 | - | - |
| Badger Prairie Health Care Center | 13,680,002 | 5,848,728 | 1,083,877 | - |
| Printing and services - non-major fund | 905,606 | 970,640 | - | - |
| Methane gas - non-major fund | 601,689 | 854,503 | - | - |
| Total Business-type Activities | 51,100,469 | 37,695,335 | 6,073,071 | 5,947,595 |
| Total Primary Government | \$ 375,313,863 | \$ 65,750,766 | \$ 170,967,401 | \$ 11,776,481 |
| Component Units | | | | |
| Henry Vilas Park Zoological Society, Inc. | 2,138,814 | 1,014,918 | - | 275,039 |
| Dane County Housing Authority | 9,208,670 | 941,433 | 8,041,245 | - |
| Total Component Units | \$ 11,347,484 | \$ 1,956,351 | \$ 8,041,245 | \$ 275,039 |

General Revenues

Taxes

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

Intergovernmental revenues not restricted to specific programs

Public gifts and/or grants

Investment income

Gain on the sale of assets

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in net assets

NET ASSETS - Beginning (as restated)

NET ASSETS - ENDING

| Net (Expense) Revenue and Changes in Net Assets | | | |
|--|-----------------------------|-----------------------|---------------------|
| Primary Government | | | |
| Governmental Activities | Business-type Activities | Totals | Component Units |
| \$ (11,091,038) | \$ - | \$ (11,091,038) | \$ - |
| (45,361,165) | - | (45,361,165) | - |
| (53,930,429) | - | (53,930,429) | - |
| 1,847,874 | - | 1,847,874 | - |
| (7,633,935) | - | (7,633,935) | - |
| (3,226,580) | - | (3,226,580) | - |
| (6,039,474) | - | (6,039,474) | - |
| <u>(125,434,747)</u> | <u>-</u> | <u>(125,434,747)</u> | <u>-</u> |
| - | 6,222,737 | 6,222,737 | - |
| - | (2,228,089) | (2,228,089) | - |
| - | 1,050,433 | 1,050,433 | - |
| - | (6,747,397) | (6,747,397) | - |
| - | 65,034 | 65,034 | - |
| - | 252,814 | 252,814 | - |
| - | <u>(1,384,468)</u> | <u>(1,384,468)</u> | <u>-</u> |
| (125,434,747) | (1,384,468) | (126,819,215) | - |
| - | - | - | (848,857) |
| - | - | - | (225,992) |
| 82,905,675 | - | 82,905,675 | - |
| 10,743,151 | - | 10,743,151 | - |
| - | 3,840,241 | 3,840,241 | - |
| 41,398,611 | - | 41,398,611 | - |
| 4,332,092 | - | 4,332,092 | - |
| 6,001,106 | - | 6,001,106 | - |
| 1,124,413 | - | 1,124,413 | - |
| 2,286,509 | 769,044 | 3,055,553 | 59,166 |
| - | 110,668 | 110,668 | - |
| 456,622 | 355,164 | 811,786 | 172,051 |
| (3,553,317) | 3,553,317 | - | - |
| <u>145,694,862</u> | <u>8,628,434</u> | <u>154,323,296</u> | <u>231,217</u> |
| 20,260,115 | 7,243,966 | 27,504,081 | (843,632) |
| <u>132,644,927</u> | <u>173,400,231</u> | <u>306,045,158</u> | <u>6,314,944</u> |
| <u>\$ 152,905,042</u> | <u>\$ 180,644,197</u> | <u>\$ 333,549,239</u> | <u>\$ 5,471,312</u> |

See accompanying notes to financial statements.

COUNTY OF DANE

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2004

| ASSETS | <u>General</u> | <u>Human Services</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------------|-----------------------|----------------------|-------------------------|---------------------------------|---------------------------------|
| Cash and investments | \$ 13,125,920 | \$ 124,320 | \$ 2,615,998 | \$ 27,616,068 | \$ 3,575,662 | \$ 47,057,968 |
| Receivables | | | | | | |
| Taxes | 79,393,826 | - | 9,979,192 | - | 6,984,611 | 96,357,629 |
| Delinquent taxes | 6,509,519 | - | - | - | - | 6,509,519 |
| Accounts | 1,905,765 | 757,941 | - | - | 464,934 | 3,128,640 |
| Loans | - | - | - | - | 2,548,683 | 2,548,683 |
| Other | 1,292,730 | - | - | - | - | 1,292,730 |
| Due from other governments | 10,022,843 | 14,249,601 | - | - | 369,464 | 24,641,908 |
| Due from other funds | 4,809,467 | - | - | - | 538,890 | 5,348,357 |
| Prepaid items | 4,052 | 1,060 | - | - | - | 5,112 |
| Total Assets | \$ 117,064,122 | \$ 15,132,922 | \$ 12,595,190 | \$ 27,616,068 | \$ 14,482,244 | \$ 186,890,546 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 2,136,197 | \$ 7,054,147 | \$ 18,065 | \$ 3,757,819 | \$ 274,811 | \$ 13,241,039 |
| Accrued payroll and payroll taxes | 3,228,590 | 463,929 | - | - | 108,367 | 3,800,886 |
| Other accrued liabilities and deposits | 1,051,237 | - | - | 20,000 | - | 1,071,237 |
| Due to other governments | 1,395,330 | 2,716,897 | - | 22,211 | 112,096 | 4,246,534 |
| Due to other funds | 88,812 | 4,811,615 | - | 17,239 | 539,469 | 5,457,135 |
| Deferred revenue | 82,363,696 | - | 9,979,192 | 206,259 | 9,533,294 | 102,082,441 |
| Total Liabilities | 90,263,862 | 15,046,588 | 9,997,257 | 4,023,528 | 10,568,037 | 129,899,272 |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 1,295,771 | 53,899 | - | 9,658,020 | 1,193,738 | 12,201,428 |
| Prepaid items | 4,052 | 1,060 | - | - | - | 5,112 |
| Non-county levy portion of delinquent taxes receivable | 3,569,696 | - | - | - | - | 3,569,696 |
| Long-term receivables | 1,135,991 | - | - | - | - | 1,135,991 |
| Debt service | - | - | 2,597,933 | - | - | 2,597,933 |
| Trust activities | - | - | - | - | 424,970 | 424,970 |
| Unreserved and designated, reported in: | | | | | | |
| General fund | 4,553,431 | - | - | - | - | 4,553,431 |
| Unreserved and undesignated, reported in: | | | | | | |
| General fund | 16,241,319 | - | - | - | - | 16,241,319 |
| Special revenue funds | - | 31,375 | - | - | 2,295,499 | 2,326,874 |
| Capital projects fund | - | - | - | 13,934,520 | - | 13,934,520 |
| Total Fund Balances | 26,800,260 | 86,334 | 2,597,933 | 23,592,540 | 3,914,207 | 56,991,274 |
| Total Liabilities and Fund Balances | \$ 117,064,122 | \$ 15,132,922 | \$ 12,595,190 | \$ 27,616,068 | \$ 14,482,244 | |

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. | 247,187,980 |
| Some receivables that are not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. | 3,813,617 |
| Internal service funds are reported in the statement of net assets as governmental funds | 7,216,754 |
| Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A. | <u>(162,304,583)</u> |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u>\$ 152,905,042</u> |

COUNTY OF DANE

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2004**

| | <u>General</u> | <u>Human Services</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|---------------------------|---------------------|-----------------------------|---|---|
| REVENUES | | | | | | |
| Taxes | \$ 121,863,441 | \$ - | \$ 10,743,151 | \$ - | \$ 6,594,263 | \$ 139,200,855 |
| Intergovernmental | 25,206,273 | 141,805,642 | - | 497,951 | 3,306,564 | 170,816,430 |
| Public charges for services | 16,271,223 | 135,797 | - | 1,176,623 | 850,406 | 18,434,049 |
| Fines, forfeitures and penalties | 2,227,519 | - | - | - | - | 2,227,519 |
| Licenses and permits | 909,497 | - | - | - | 950,084 | 1,859,581 |
| Investment income | 1,060,697 | - | 446,988 | - | - | 1,507,685 |
| Miscellaneous | 4,764,028 | 4,111,104 | 1,487,917 | - | 139,435 | 10,502,484 |
| Total Revenues | <u>172,302,678</u> | <u>146,052,543</u> | <u>12,678,056</u> | <u>1,674,574</u> | <u>11,840,752</u> | <u>344,548,603</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 21,053,001 | - | - | - | - | 21,053,001 |
| Health and human services | 405,677 | 189,585,939 | - | - | 5,173,480 | 195,165,096 |
| Public safety and criminal justice | 71,817,589 | - | - | - | - | 71,817,589 |
| Public works | 895,436 | - | - | - | 139,091 | 1,034,527 |
| Culture, education and recreation | 12,616,329 | - | - | - | 3,549,564 | 16,165,893 |
| Conservation and economic development | 4,590,537 | - | - | - | 2,138,693 | 6,729,230 |
| Capital Outlay | 2,863,432 | 1,466 | - | 21,596,189 | 9,577 | 24,470,664 |
| Debt Service | | | | | | |
| Principal retirement | - | - | 9,960,352 | - | - | 9,960,352 |
| Interest and fees | - | - | 6,307,950 | - | - | 6,307,950 |
| Total Expenditures | <u>114,242,001</u> | <u>189,587,405</u> | <u>16,268,302</u> | <u>21,596,189</u> | <u>11,010,405</u> | <u>352,704,302</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>58,060,677</u> | <u>(43,534,862)</u> | <u>(3,590,246)</u> | <u>(19,921,615)</u> | <u>830,347</u> | <u>(8,155,699)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| General obligation debt issued | 1,562,000 | - | 81,900 | 5,391,100 | - | 7,035,000 |
| Refunding bonds issued | - | - | 3,019,189 | - | - | 3,019,189 |
| Payments to refunded bond escrow agent | - | - | (3,058,628) | - | - | (3,058,628) |
| Debt premium | - | - | 86,781 | - | - | 86,781 |
| Transfers in | 448,744 | 43,312,653 | 3,054,512 | - | - | 46,815,909 |
| Transfers out | (53,546,107) | - | - | - | (43,563) | (53,589,670) |
| Total Other Financing Sources (Uses) | <u>(51,535,363)</u> | <u>43,312,653</u> | <u>3,183,754</u> | <u>5,391,100</u> | <u>(43,563)</u> | <u>308,581</u> |
| Net change in fund balance | 6,525,314 | (222,209) | (406,492) | (14,530,515) | 786,784 | (7,847,118) |
| FUND BALANCES - Beginning | <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> |
| FUND BALANCES - ENDING | <u>\$ 26,800,260</u> | <u>\$ 86,334</u> | <u>\$ 2,597,933</u> | <u>\$ 23,592,540</u> | <u>\$ 3,914,207</u> | <u>\$ 56,991,274</u> |

See accompanying notes to financial statements.

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, 2004

| | |
|---|-----------------------------|
| Net change in fund balances - total governmental funds | \$ (7,847,118) |
| 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 | 24,470,664 |
| Less: Some items are reported as capital outlay but are not capitalized | (378,147) |
| Depreciation is reported in the government-wide statements - less internal service funds | (6,708,456) |
| Capital contributions reported in the government-wide statements (infrastructure) | 4,257,540 |
| Infrastructure financed by the highway fund | 2,032,903 |
| Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net assets. | (335,508) |
| 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. | (463,962) |
| The Firearms Training Center internal service fund was closed during the year and the related capital assets of \$1,634,560 less outstanding debt and related accruals of \$250,034 were transferred to governmental activities during the year. | 1,384,526 |
| 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. | 3,011,017 |
| 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. | 132,874 |
| 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 | (1,561,102) |
| Claims and judgments | 70,000 |
| Disability benefits | 7,431 |
| Accrued interest on debt | 61,518 |
| Internal service funds are used by management to charge the costs of printing, workers compensation, liability insurance, employee benefits and food service costs to individual funds. The increase in net assets of the internal service funds is reported with governmental activities. | <u>2,125,935</u> |
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u>\$ 20,260,115</u> |

See accompanying notes to financial statements.

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COUNTY OF DANE

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
December 31, 2004

| | <u>Business-type Activities - Enterprise Funds</u> | | |
|---|--|--------------------|------------------------------|
| | <u>Airport</u> | <u>Highway</u> | <u>Sanitary Landfill</u> |
| ASSETS | | | |
| Current Assets | | | |
| Cash and investments | \$ 44,996,532 | \$ 1,487,221 | \$ 4,877,755 |
| Taxes receivable | - | 4,499,824 | - |
| Accounts receivable, net | 1,407,681 | 6,378 | 1,256,749 |
| Due from other governments | - | 1,082,000 | - |
| Due from other funds | - | 111,029 | - |
| Inventories | - | 1,920,116 | - |
| Prepaid items | 487 | 7,638 | - |
| Deposits | - | - | - |
| Restricted cash and investments | - | - | 46,640 |
| Total Current Assets | <u>46,404,700</u> | <u>9,114,206</u> | <u>6,181,144</u> |
| Noncurrent Assets | | | |
| Restricted cash and investments | 9,765,303 | - | 4,780,703 |
| Advances to other funds | - | - | - |
| Other assets | 411,694 | - | - |
| Capital Assets | | | |
| Land | 27,430,587 | 139,166 | 1,427,436 |
| Construction in progress | 46,239,672 | 5,303 | - |
| Land improvements | 89,961,617 | 525,487 | 15,180,972 |
| Buildings | 39,712,953 | 4,989,743 | 637,014 |
| Machinery and equipment | 7,843,762 | 15,036,031 | 4,750,082 |
| Less: Accumulated depreciation | <u>(52,697,895)</u> | <u>(9,952,547)</u> | <u>(12,051,163)</u> |
| Total Capital Assets (Net of Accumulated Depreciation) | <u>158,490,696</u> | <u>10,743,183</u> | <u>9,944,341</u> |
| Total Noncurrent Assets | <u>168,667,693</u> | <u>10,743,183</u> | <u>14,725,044</u> |
| Total Assets | <u>215,072,393</u> | <u>19,857,389</u> | <u>20,906,188</u> |

Continued on
Next Page

| <u>Business-type Activities - Enterprise Funds</u> | | | <u>Governmental</u> |
|--|--------------------|---------------------|----------------------|
| <u>Badger Prairie</u> | <u>Other</u> | <u>Totals</u> | <u>Activities -</u> |
| <u>Health Care</u> | <u>Proprietary</u> | <u>Current Year</u> | <u>Internal</u> |
| | <u>Funds</u> | | <u>Service Funds</u> |
| \$ 225,524 | \$ 620,802 | \$ 52,207,834 | \$ 6,323,770 |
| - | - | 4,499,824 | - |
| 701,344 | 125,160 | 3,497,312 | 832,142 |
| - | 46,741 | 1,128,741 | - |
| - | 6,282 | 117,311 | - |
| 25,343 | 86,221 | 2,031,680 | - |
| - | - | 8,125 | - |
| - | - | - | 50,000 |
| - | - | 46,640 | - |
| <u>952,211</u> | <u>885,206</u> | <u>63,537,467</u> | <u>7,205,912</u> |
| 49,498 | - | 14,595,504 | 1,809,171 |
| - | - | - | 432,623 |
| - | - | 411,694 | - |
| 45,988 | - | 29,043,177 | - |
| - | - | 46,244,975 | - |
| 330,248 | - | 105,998,324 | - |
| 4,044,879 | - | 49,384,589 | 1,968,705 |
| 2,931,865 | 5,681,816 | 36,243,556 | 947,262 |
| <u>(4,787,220)</u> | <u>(1,587,229)</u> | <u>(81,076,054)</u> | <u>(1,297,218)</u> |
| <u>2,565,760</u> | <u>4,094,587</u> | <u>185,838,567</u> | <u>1,618,749</u> |
| <u>2,615,258</u> | <u>4,094,587</u> | <u>200,845,765</u> | <u>3,860,543</u> |
| <u>3,567,469</u> | <u>4,979,793</u> | <u>264,383,232</u> | <u>11,066,455</u> |

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
December 31, 2004

| | <u>Business-type Activities - Enterprise Funds</u> | | |
|---|--|----------------------|------------------------------|
| | <u>Airport</u> | <u>Highway</u> | <u>Sanitary Landfill</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 462,384 | \$ 1,236,408 | \$ 375,740 |
| Accrued payroll and payroll taxes | 80,293 | 146,699 | 18,471 |
| Accrued compensated absences | 362,052 | 631,987 | 86,073 |
| Other accrued liabilities and deposits | 243,401 | 2,495 | - |
| Due to other governments | 3,255,103 | 893,047 | 185,606 |
| Due to other funds | - | - | - |
| Current portion of postclosure care costs | - | - | 46,640 |
| Current portion of general obligation debt | 2,585,000 | 69,640 | - |
| Current portion of notes payable | - | - | - |
| Current portion of other liabilities | - | - | - |
| Deferred revenue | 24,910 | 4,547,007 | - |
| Total Current Liabilities | <u>7,013,143</u> | <u>7,527,283</u> | <u>712,530</u> |
| Noncurrent Liabilities: | | | |
| Advances from other funds | - | - | - |
| Accrued compensated absences | 1,061,056 | 1,874,902 | 239,372 |
| Long-term care and postclosure care costs payable | - | - | 4,739,554 |
| General obligation debt | 52,125,000 | 146,376 | - |
| Unamortized premium on debt | 2,163,690 | - | - |
| Notes payable | - | - | - |
| Total Noncurrent Liabilities | <u>55,349,746</u> | <u>2,021,278</u> | <u>4,978,926</u> |
| Total Liabilities | <u>62,362,889</u> | <u>9,548,561</u> | <u>5,691,456</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 112,918,123 | 10,527,167 | 9,944,341 |
| Restricted for: | | | |
| Capital projects | 9,765,303 | - | - |
| Landfill long-term care costs | - | - | 41,149 |
| Unrestricted (deficit) | <u>30,026,078</u> | <u>(218,339)</u> | <u>5,229,242</u> |
| TOTAL NET ASSETS | <u>\$ 152,709,504</u> | <u>\$ 10,308,828</u> | <u>\$ 15,214,732</u> |

| <u>Business-type Activities - Enterprise Funds</u> | | | <u>Governmental</u> |
|--|---------------------|-----------------------|----------------------|
| <u>Badger Prairie</u> | <u>Other</u> | <u>Totals</u> | <u>Activities -</u> |
| <u>Health Care</u> | <u>Proprietary</u> | <u>Current Year</u> | <u>Internal</u> |
| | <u>Funds</u> | | <u>Service Funds</u> |
| \$ 198,028 | \$ 203,215 | \$ 2,475,775 | \$ 64,283 |
| 175,977 | 9,392 | 430,832 | 30,473 |
| 487,310 | 41,634 | 1,609,056 | 44,114 |
| 117,940 | 28,170 | 392,006 | 2,995,064 |
| 6,190 | - | 4,339,946 | 816 |
| 4,706 | 1,307 | 6,013 | 2,520 |
| - | - | 46,640 | - |
| 254,078 | 246,717 | 3,155,435 | - |
| 33,047 | - | 33,047 | - |
| - | - | - | 130,000 |
| - | - | 4,571,917 | - |
| <u>1,277,276</u> | <u>530,435</u> | <u>17,060,667</u> | <u>3,267,270</u> |
| - | - | - | 432,623 |
| 1,274,109 | 114,879 | 4,564,318 | 149,808 |
| - | - | 4,739,554 | - |
| 899,584 | 2,005,796 | 55,176,756 | - |
| - | - | 2,163,690 | - |
| 34,050 | - | 34,050 | - |
| <u>2,207,743</u> | <u>2,120,675</u> | <u>66,678,368</u> | <u>582,431</u> |
| <u>3,485,019</u> | <u>2,651,110</u> | <u>83,739,035</u> | <u>3,849,701</u> |
| 1,438,163 | 2,009,145 | 136,836,939 | 1,618,749 |
| - | - | 9,765,303 | - |
| - | - | 41,149 | - |
| <u>(1,355,713)</u> | <u>319,538</u> | <u>34,000,806</u> | <u>5,598,005</u> |
| <u>\$ 82,450</u> | <u>\$ 2,328,683</u> | <u>\$ 180,644,197</u> | <u>\$ 7,216,754</u> |

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS For the Year Ended December 31, 2004

| | Business-type Activities - Enterprise Funds | | |
|--|---|----------------------|----------------------|
| | Airport | Highway | Sanitary Landfill |
| OPERATING REVENUES | | | |
| Charges for services | \$ 7,398,457 | \$ 8,342,916 | \$ 8,794,585 |
| Intergovernmental charges for services | - | 3,933,410 | - |
| Parking fees and concession sales | 5,502,145 | - | - |
| Other | 280,806 | 12,152 | 39,104 |
| Total Operating Revenues | 13,181,408 | 12,288,478 | 8,833,689 |
| OPERATING EXPENSES | | | |
| Personal services | 4,214,302 | 8,369,605 | 1,149,080 |
| Contractual services | 1,523,782 | 908,653 | 3,773,630 |
| Highway operations | - | 7,029,614 | - |
| Insurance services | - | - | - |
| Other | 1,458,025 | - | 1,842,147 |
| Depreciation | 5,037,070 | 938,988 | 1,018,398 |
| Total Operating Expenses | 12,233,179 | 17,246,860 | 7,783,255 |
| Operating Income (Loss) | 948,229 | (4,958,382) | 1,050,434 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Taxes | - | 3,840,241 | - |
| Intergovernmental grants | - | 707,083 | - |
| Investment income | 738,709 | - | 30,335 |
| Interest expense | (2,597,788) | (9,696) | - |
| Interest charged to construction | 1,924,700 | - | - |
| Amortization of bond premium | 355,164 | - | - |
| Gain on sale of capital assets | 46,030 | - | 63,861 |
| Passenger facility charges | 3,451,675 | - | - |
| Total Nonoperating Revenues (Expenses) | 3,918,490 | 4,537,628 | 94,196 |
| Income (Loss) Before Contributions and Transfers | 4,866,719 | (420,754) | 1,144,630 |
| Capital contributions | 2,495,920 | - | - |
| Transfers in | - | 1,562,000 | - |
| Transfers out | - | (1,006,465) | (1,264,912) |
| Change in Net Assets | 7,362,639 | 134,781 | (120,282) |
| TOTAL NET ASSETS - Beginning (as restated) | 145,346,865 | 10,174,047 | 15,335,014 |
| TOTAL NET ASSETS - ENDING | \$ 152,709,504 | \$ 10,308,828 | \$ 15,214,732 |

| <u>Business-type Activities - Enterprise Funds</u> | | | <u>Governmental</u> |
|--|---------------------|-----------------------|----------------------|
| <u>Badger Prairie</u> | <u>Other</u> | <u>Totals</u> | <u>Activities-</u> |
| <u>Health Care</u> | <u>Proprietary</u> | <u>Current Year</u> | <u>Internal</u> |
| <u>Center</u> | <u>Funds</u> | | <u>Service Funds</u> |
| \$ 5,833,879 | \$ 1,825,145 | \$ 32,194,982 | \$ 6,283,155 |
| - | - | 3,933,410 | - |
| - | - | 5,502,145 | - |
| 14,849 | - | 346,911 | 7,061 |
| <u>5,848,728</u> | <u>1,825,145</u> | <u>41,977,448</u> | <u>6,290,216</u> |
| 9,840,376 | 513,831 | 24,087,194 | 1,660,146 |
| 2,409,157 | 77,562 | 8,692,784 | 193,035 |
| - | - | 7,029,614 | - |
| - | - | - | 571,758 |
| 1,156,737 | 601,848 | 5,058,757 | 1,627,396 |
| 227,128 | 228,036 | 7,449,620 | 97,039 |
| <u>13,633,398</u> | <u>1,421,277</u> | <u>52,317,969</u> | <u>4,149,374</u> |
| <u>(7,784,670)</u> | <u>403,868</u> | <u>(10,340,521)</u> | <u>2,140,842</u> |
| - | - | 3,840,241 | - |
| 1,083,877 | - | 1,790,960 | - |
| - | - | 769,044 | 194,778 |
| (46,603) | (86,018) | (2,740,105) | (12,700) |
| - | - | 1,924,700 | - |
| - | - | 355,164 | - |
| - | 777 | 110,668 | - |
| - | - | 3,451,675 | - |
| <u>1,037,274</u> | <u>(85,241)</u> | <u>9,502,347</u> | <u>182,078</u> |
| (6,747,396) | 318,627 | (838,174) | 2,322,920 |
| - | - | 2,495,920 | - |
| 6,666,970 | - | 8,228,970 | 1,264,912 |
| - | (371,373) | (2,642,750) | (1,461,897) |
| (80,426) | (52,746) | 7,243,966 | 2,125,935 |
| <u>162,876</u> | <u>2,381,429</u> | <u>173,400,231</u> | <u>5,090,819</u> |
| <u>\$ 82,450</u> | <u>\$ 2,328,683</u> | <u>\$ 180,644,197</u> | <u>\$ 7,216,754</u> |

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND TYPES
 For the Year Ended December 31, 2004

| | <u>Business-type Activities - Enterprise Funds</u> | | |
|---|--|----------------------------|------------------------------|
| | <u>Airport</u> | <u>Highway</u> | <u>Sanitary Landfill</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Received from customers | \$ 12,841,694 | \$ 13,000,742 | \$ 8,039,337 |
| Received from other funds | - | - | - |
| Paid to municipality | - | - | - |
| Paid to suppliers for goods and services | (2,838,479) | (7,802,848) | (5,080,348) |
| Paid to employees for services | (4,214,302) | (8,369,605) | (1,149,080) |
| Net Cash Flows From Operating Activities | <u>5,788,913</u> | <u>(3,171,711)</u> | <u>1,809,909</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers in | - | 1,562,000 | - |
| Transfers out | - | (1,006,465) | - |
| Payment of other long-term debt | - | - | - |
| General property taxes | - | 3,840,241 | - |
| Intergovernmental grants | - | 707,083 | - |
| Advances from other funds | - | - | (4,337) |
| Net Cash Flows From Noncapital Financing Activities | <u>-</u> | <u>5,102,859</u> | <u>(4,337)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal payments on capital debt | - | (103,313) | - |
| Principal payments on capital lease | - | - | (55,984) |
| Capital debt issued | - | - | - |
| Interest paid on capital debt | (2,549,994) | (9,696) | - |
| Acquisition and construction of capital assets | (20,938,137) | (2,416,014) | (1,704,652) |
| Passenger facility charges | 3,451,675 | - | - |
| Capital contributions | 2,495,920 | - | - |
| Net Cash Flows From Capital and Related Financing Activities | <u>(17,540,536)</u> | <u>(2,529,023)</u> | <u>(1,760,636)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | 738,709 | - | 30,335 |
| Marketable securities purchased | - | - | (212,251) |
| Net Cash Flows From Investing Activities | <u>738,709</u> | <u>-</u> | <u>(181,916)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (11,012,914) | (597,875) | (136,980) |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>65,774,749</u> | <u>2,085,096</u> | <u>5,014,735</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 54,761,835</u> | <u>\$ 1,487,221</u> | <u>\$ 4,877,755</u> |

| <u>Business-type Activities - Enterprise Funds</u> | | | <u>Governmental</u> |
|--|--------------------|----------------------|----------------------|
| <u>Badger Prairie</u> | <u>Non-Major</u> | <u>Totals</u> | <u>Activities -</u> |
| <u>Health Care</u> | <u>Proprietary</u> | <u>Current Year</u> | <u>Internal</u> |
| <u>Center</u> | <u>Fund</u> | | <u>Service Funds</u> |
| \$ 6,924,074 | \$ 1,433,396 | \$ 42,239,243 | \$ 3,477,052 |
| - | 358,414 | 358,414 | 2,876,730 |
| (28,076) | - | (28,076) | - |
| (3,702,902) | (720,087) | (20,144,664) | (4,365,543) |
| <u>(9,840,376)</u> | <u>(513,831)</u> | <u>(24,087,194)</u> | <u>(1,660,146)</u> |
| <u>(6,647,280)</u> | <u>557,892</u> | <u>(1,662,277)</u> | <u>328,093</u> |
| 6,666,970 | - | 8,228,970 | - |
| - | (371,373) | (1,377,838) | (77,371) |
| - | - | - | (130,000) |
| - | - | 3,840,241 | - |
| - | - | 707,083 | - |
| - | 194,093 | 189,756 | (242,894) |
| <u>6,666,970</u> | <u>(177,280)</u> | <u>11,588,212</u> | <u>(450,265)</u> |
| (769,755) | (223,959) | (1,097,027) | (353,097) |
| - | (11,088) | (67,072) | - |
| 610,384 | - | 610,384 | - |
| (46,605) | (88,054) | (2,694,349) | (12,700) |
| (5,525) | (2,174,896) | (27,239,224) | - |
| - | - | 3,451,675 | - |
| - | - | 2,495,920 | - |
| <u>(211,501)</u> | <u>(2,497,997)</u> | <u>(24,539,693)</u> | <u>(365,797)</u> |
| - | - | 769,044 | 194,778 |
| - | - | (212,251) | - |
| - | - | 556,793 | 194,778 |
| (191,811) | (2,117,385) | (14,056,965) | (293,191) |
| <u>466,833</u> | <u>2,738,187</u> | <u>76,079,600</u> | <u>6,616,961</u> |
| <u>\$ 275,022</u> | <u>\$ 620,802</u> | <u>\$ 62,022,635</u> | <u>\$ 6,323,770</u> |

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND TYPES
 For the Year Ended December 31, 2004

| | <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) | \$ 948,229 | \$ (4,958,382) | \$ 1,050,434 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities | | | |
| Non-operating income | - | - | - |
| Non-cash items included in operating income: | | | |
| Depreciation | 5,037,070 | 938,988 | 1,018,398 |
| Change in assets and liabilities | | | |
| Accounts receivable | (332,697) | (655,843) | (794,426) |
| Due from other funds | 288 | 181,984 | 74 |
| Due from other governments | - | 756,223 | - |
| Inventories | - | (241,468) | - |
| Prepaid items | 12 | 17,979 | 180 |
| Accounts payable | 111,153 | 84,292 | 269,215 |
| Accrued payroll and payroll taxes | - | (111,925) | (19,794) |
| Accrued compensated absences | 120,226 | 251,691 | 18,183 |
| Other accrued liabilities and deposits | (86,724) | (884) | - |
| Due to other governments | - | 138,469 | (2,918) |
| Due to other funds | (1,339) | (2,735) | (55,170) |
| Deferred revenue | (7,305) | 429,900 | - |
| Long-term care and postclosure care costs payable | - | - | 325,733 |
| | <u>\$ 5,788,913</u> | <u>\$ (3,171,711)</u> | <u>\$ 1,809,909</u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS | | | |
| Cash and investments - statement of net assets - proprietary fund | \$ 44,996,532 | \$ 1,487,221 | \$ 4,877,755 |
| Restricted cash and investments - statement of net assets - proprietary fund | | | |
| Current | - | - | 46,640 |
| Noncurrent | 9,765,303 | - | 4,780,703 |
| Less: Non-cash equivalents | - | - | (4,827,343) |
| | <u>\$ 54,761,835</u> | <u>\$ 1,487,221</u> | <u>\$ 4,877,755</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | | | |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | |
| Interest charged to construction | \$ 1,924,700 | \$ - | \$ - |
| Forgiven advance | - | - | (1,264,912) |
| Transfer of capital assets to governmental activities | - | - | - |
| Transfer of general obligation debt to governmental activities | - | - | - |

| <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> |
| \$ (7,784,670) | \$ 403,868 | \$ (10,340,521) | \$ 2,140,842 |
| 1,083,877 | 777 | 1,084,654 | - |
| 227,128 | 228,036 | 7,449,620 | 97,039 |
| (9,149) | (112,208) | (1,904,323) | 63,518 |
| 618 | (6,243) | 176,721 | - |
| - | 84,339 | 840,562 | 48 |
| 363 | 35,753 | (205,352) | - |
| - | - | 18,171 | - |
| (228,710) | 48,792 | 284,742 | (26,452) |
| - | (13,165) | (144,884) | - |
| 90,258 | (25,177) | 455,181 | 37,493 |
| - | - | (87,608) | (1,942,491) |
| (28,076) | (4,435) | 103,040 | (5,589) |
| 1,081 | (82,445) | (140,608) | (36,315) |
| - | - | 422,595 | - |
| - | - | 325,733 | - |
| <u>\$ (6,647,280)</u> | <u>\$ 557,892</u> | <u>\$ (1,662,277)</u> | <u>\$ 328,093</u> |
| \$ 225,524 | \$ 620,802 | \$ 52,207,834 | \$ 6,323,770 |
| - | - | 46,640 | - |
| 49,498 | - | 14,595,504 | - |
| - | - | (4,827,343) | - |
| <u>\$ 275,022</u> | <u>\$ 620,802</u> | <u>\$ 62,022,635</u> | <u>\$ 6,323,770</u> |
| \$ - | \$ - | \$ 1,924,700 | \$ - |
| - | - | (1,264,912) | 1,264,912 |
| - | - | - | 1,634,560 |
| - | - | - | 239,531 |

See accompanying notes to financial statements.

COUNTY OF DANE

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2004

| | <u>Private Purpose Trusts</u> | <u>Agency Funds</u> |
|---|-----------------------------------|-------------------------|
| ASSETS | | |
| Cash and investments | \$ 220,497 | \$ 11,950,293 |
| Taxes receivable | - | 8,684,322 |
| Total Assets | <u>220,497</u> | <u>20,634,615</u> |
| LIABILITIES | | |
| Accounts payable | - | 4,668 |
| Other accrued liabilities and deposits | - | 2,905,300 |
| Due to other governmental units | - | 17,724,647 |
| Total Liabilities | <u>-</u> | <u>20,634,615</u> |
| NET ASSETS | | |
| Reserved for private purpose trust activities | <u>220,497</u> | <u>-</u> |
| TOTAL NET ASSETS | <u>\$ 220,497</u> | <u>\$ -</u> |

See accompanying notes to financial statements.

COUNTY OF DANE

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2004**

| | <u>Private Purpose Trust Total</u> |
|--|--|
| ADDITIONS | |
| Investment earnings | \$ 11,122 |
| Total Additions | <u>11,122</u> |
| DEDUCTIONS | |
| Scholarships and Badger Prairie Health Care Center patient benefits | <u>7,140</u> |
| Total Deductions | <u>7,140</u> |
| Change in Net Assets | 3,982 |
| NET ASSETS - Beginning | <u>216,515</u> |
| NET ASSETS - ENDING | <u>\$ 220,497</u> |

See accompanying notes to financial statements.

COUNTY OF DANE

**STATEMENT OF NET ASSETS
COMPONENT UNITS
December 31, 2004**

| | Dane County Housing Authority | Henry Vilas Park Zoological Society, Inc. | Totals |
|---|-------------------------------------|---|---------------------|
| ASSETS | | | |
| Cash and investments | \$ 959,670 | \$ 3,402,870 | \$ 4,362,540 |
| Receivables | | | |
| Accounts | 20,246 | 3,000 | 23,246 |
| Loans | 228,100 | - | 228,100 |
| Interest | - | 7,865 | 7,865 |
| Due from other governments | 67,805 | - | 67,805 |
| Inventories | - | 159,020 | 159,020 |
| Prepaid items | 4,859 | 579 | 5,438 |
| Total Current Assets | <u>1,280,680</u> | <u>3,573,334</u> | <u>4,854,014</u> |
| Noncurrent assets | | | |
| Restricted cash and investments | 74,955 | 104,663 | 179,618 |
| Capital assets | | | |
| Land | 1,191,500 | - | 1,191,500 |
| Construction in progress | 19,926 | - | 19,926 |
| Buildings | 5,824,604 | - | 5,824,604 |
| Machinery and equipment | 149,124 | 205,425 | 354,549 |
| Less accumulated depreciation | <u>(4,752,228)</u> | <u>(146,799)</u> | <u>(4,899,027)</u> |
| Total Capital Assets (Net of Accumulated Depreciation) | <u>2,432,926</u> | <u>58,626</u> | <u>2,491,552</u> |
| Total Noncurrent Assets | <u>2,507,881</u> | <u>163,289</u> | <u>2,671,170</u> |
| Total Assets | <u>3,788,561</u> | <u>3,736,623</u> | <u>7,525,184</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 97,978 | 1,025,741 | 1,123,719 |
| Other accrued liabilities and deposits | 57,388 | - | 57,388 |
| Due to other governments | - | 169,296 | 169,296 |
| Current portion of unfunded pension obligation | 9,607 | - | 9,607 |
| Current portion of notes payable | 35,984 | - | 35,984 |
| Deferred revenue | 2,783 | - | 2,783 |
| Total Current Liabilities | <u>203,740</u> | <u>1,195,037</u> | <u>1,398,777</u> |
| Noncurrent Liabilities | | | |
| Unfunded pension obligation | 207,086 | - | 207,086 |
| Notes payable | 87,080 | - | 87,080 |
| Other long-term liabilities | 821 | - | 821 |
| Deferred revenue | 360,108 | - | 360,108 |
| Total Noncurrent Liabilities | <u>655,095</u> | <u>-</u> | <u>655,095</u> |
| Total Liabilities | <u>858,835</u> | <u>1,195,037</u> | <u>2,053,872</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 2,256,528 | - | 2,256,528 |
| Restricted | 307,974 | 42,800 | 350,774 |
| Unrestricted | 365,224 | 2,498,786 | 2,864,010 |
| TOTAL NET ASSETS | <u>\$ 2,929,726</u> | <u>\$ 2,541,586</u> | <u>\$ 5,471,312</u> |

See accompanying notes to financial statements.

COUNTY OF DANE

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

For the Year Ended December 31, 2004

| | Dane County Housing Authority | Henry Vilas Park Zoological Society, Inc. | Totals |
|-----------------------------------|-------------------------------------|---|--------------|
| OPERATING REVENUES | | | |
| Intergovernmental | \$ 7,768,008 | \$ - | \$ 7,768,008 |
| Charges for services | 673,429 | 1,014,918 | 1,688,347 |
| Investment income | 9,662 | 49,504 | 59,166 |
| Miscellaneous | 624,200 | 364,131 | 988,331 |
| Total Operating Revenues | 9,075,299 | 1,428,553 | 10,503,852 |
| OPERATING EXPENSES | | | |
| Current | | | |
| Culture, education and recreation | - | 2,138,814 | 2,138,814 |
| Conservation and development | 9,193,179 | - | 9,193,179 |
| Total Operating Expenses | 9,193,179 | 2,138,814 | 11,331,993 |
| Operating Income (Loss) | (117,880) | (710,261) | (828,141) |
| NONOPERATING EXPENSES | | | |
| Interest expense | 15,491 | - | 15,491 |
| Net Change in Net Assets | (133,371) | (710,261) | (843,632) |
| TOTAL NET ASSETS - Beginning | 3,063,097 | 3,251,847 | 6,314,944 |
| TOTAL NET ASSETS - ENDING | \$ 2,929,726 | \$ 2,541,586 | \$ 5,471,312 |

See accompanying notes to financial statements.

COUNTY OF DANE

INDEX TO NOTES TO FINANCIAL STATEMENTS

December 31, 2004

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COUNTY OF DANE

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COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

This report includes all of the funds of the County of Dane. The reporting entity for the County consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component units are reported in a separate column in the government-wide financial to emphasize that they are legally separate from the government. This report does not contain any blended component units.

On January 1, 2004, the County of Dane adopted the provisions of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement amends Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations should be reported as component units based on criteria noted in the previous paragraph. As a result of the adoption of this statement, the Henry Vilas Park Zoological Society, Inc. is now shown as a discretely presented component unit of the County.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

Dane County Housing Authority

The government-wide financial statements include the Dane County Housing Authority ("Housing Authority") as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the County Executive. Wisconsin Statutes provide for circumstances whereby the County can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the County. See Note IV.K. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2004. 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.

Henry Vilas Park Zoological Society, Inc.

The government-wide financial statements include the Henry Vilas Park Zoological Society, Inc. (the Society) as a component unit. The Society is a legally separate organization that has been presented as a discrete component unit according to the provisions of GASB No. 39, as defined in Note I.A. See Note IV.L. The information presented is for the fiscal year ended March 31, 2004. Separately issued financial statements of the Society may be obtained from the Henry Vilas Park Zoological Society's office, 606 South Randall Avenue, Madison, WI 53715-1665.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

Fund Financial Statements

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

The County reports the following major enterprise funds:

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

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

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

Fund Financial Statements (cont.)

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

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

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

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

- Printing and Services
- Methane Gas

In addition, the County reports the following fund types:

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

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

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

Fund Financial Statements (cont.)

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

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

Proprietary and fiduciary fund financial statements 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.

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

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

1. Deposits and Investments (cont.)

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

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

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, 2004, the fair value of the County's share of the LGIPs assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

2. Receivables

a. Property and Sales Tax

Property taxes are levied in 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 – 2004 tax roll:

| | |
|---|------------------|
| Lien date and levy date | December 2004 |
| Tax bills mailed | December 2004 |
| Payment in full, or | January 31, 2005 |
| First installment due | January 31, 2005 |
| Second installment due | July 31, 2005 |
| Personal property taxes in full | January 31, 2005 |
| Tax sale – 2004 delinquent real estate taxes | October 2007 |

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, 2004, 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 \$3,569,696.

The County has a .5% sales tax which is collected by the State of Wisconsin. Total revenues of \$41,398,611 from this tax for the 2004 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.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

2. Receivables (cont.)

c. Due To/From/Advances

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

d. Loans Receivable

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

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

e. Other

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

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, 2004

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, 2004 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, 2004 represents deposits with the State of Wisconsin Department of Natural Resources for long-term care and closure costs of landfill sites. Restricted assets included in the Airport enterprise fund at December 31, 2004 consists of passenger facility charges as authorized by the Federal Aviation Administration.

Deposit with Wisconsin Municipal Mutual Insurance Company

Refer to Note V.B.

5. Capital Assets

Government-Wide Statements

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

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. \$1,924,700 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.

COUNTY OF DANE

**NOTES TO FINANCIAL STATEMENTS
December 31, 2004**

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.)

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

| | |
|-------------------------|-------------|
| Land Improvements | 10-20 Years |
| Buildings | 20-40 Years |
| Zoo animals | 4-55 Years |
| Machinery and Equipment | 5-10 Years |
| Roads | 25-40 Years |
| Bridges | 50 Years |
| Traffic Signals | 40 Years |
| Culverts | 50 Years |

Fund Financial Statements

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

6. Other Assets

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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, 2004 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, 2004

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 \$162,304,585 difference in liabilities is as follows:

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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 | \$ 130,531,753 |
| Compensated absences | 28,798,306 |
| Capital lease obligations | 25,944 |
| Claims and judgments | 70,000 |
| Other long-term liabilities | 222,919 |
| Accrued interest | 1,465,623 |
| Unamortized debt discount, premium and issue costs | <u>1,190,038</u> |
| Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities | <u>\$ 162,304,583</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 \$3,011,016 difference is as follows:

| | |
|---|---------------------|
| Debt issued or incurred: | |
| Issuance of general obligation bonds | \$ (10,054,189) |
| Principal repayments: | |
| General obligation debt | 13,018,980 |
| Capital lease | <u>46,226</u> |
| Net Adjustment to Decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities | <u>\$ 3,011,017</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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 | \$ 2,668,458 |
| Human Services | 7,613,709 |
| Capital Projects | 25,531,845 |
| Board of Health | 632,708 |
| CDBG Loans | 1,679,796 |
| Land Information | <u>33,625</u> |
| Total | <u>\$ 38,160,141</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, 2004

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 2005 at December 31, 2004, 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 | \$ | 794,949 |
| Special Revenue Fund – Human Services | | 40,946 |
| Special Revenue Fund – Commerce Revolving Loan | | 89,941 |
| Special Revenue Fund – Land Information | | 799,269 |
| Special Revenue Fund – Bridge Aid | | 12,856 |
| Special Revenue Fund – Board of Health | | 220,222 |
| Debt Service | | 230,000 |
| Capital Projects Fund – Capital Projects | | 10,373,413 |

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, 2004:

| Major Fund | Excess |
|-------------------|--------------|
| Debt Service Fund | \$ 5,379,476 |

C. DEFICIT BALANCES

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

As of December 31, 2004, the following individual fund held a deficit balance:

| <u>Fund</u> | <u>Amount</u> | <u>Reason</u> |
|-----------------------------|---------------|---|
| Special Revenue Fund - HOME | \$ 5 | 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, 2004

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 | \$ 170,725 |
| Deposits | 16,275,111 |
| Investments | <u>115,956,670</u> |
| Total Cash and Investments | <u>\$ 132,402,506</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

A. DEPOSITS AND INVESTMENTS (cont.)

| | |
|--|-----------------------|
| Per statement of net assets – cash and investments | \$ 105,587,572 |
| Per statement of net assets – restricted assets – cash and investments | 14,644,144 |
| Fiduciary funds – cash and investments | <u>12,170,790</u> |
| Total | <u>\$ 132,402,506</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 \$16,275,111 and the bank balance was \$20,489,586. The difference between the carrying amount and the bank balance represents outstanding checks and deposits in transit.

Of the bank balance, \$10,870,496 was covered by federal and state depository insurance and \$9,619,090 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, 2004

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 | \$ 4,827,343 | \$ 17,243,031 | \$ 22,070,374 | \$ 22,070,374 |
| Repurchase agreements | - | 4,437,259 | 4,437,259 | 4,437,259 |
| Sub-Totals | <u>\$ 4,827,343</u> | <u>\$ 21,680,290</u> | <u>\$ 26,507,633</u> | 26,507,633 |
| Local government investment pool | | | | 89,351,522 |
| Madison Community Foundation – pooled funds | | | | <u>97,515</u> |
| Total Investments | | | | <u>\$ 115,956,670</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, 2004, 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, 2004

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

B. RECEIVABLES

All of the receivables are expected to be collected within one year except \$632,467 in the general fund, \$1,980,929 in the CDBG fund, \$463,812 in the HOME fund, and \$103,942 in the Commerce Revolving Loan fund.

Uncollectible Amounts

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

Uncollectibles related to Badger Prairie Health Care Center \$ 1,775

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 | \$ - | \$ 96,357,629 | \$ 96,357,629 |
| County portion of tax certificates (including interest) | - | 1,704,936 | 1,704,936 |
| Loans receivable | 2,548,683 | - | 2,548,683 |
| Long-term receivable | 1,264,934 | - | 1,264,934 |
| Donations | - | 206,259 | 206,259 |
| | <hr/> | <hr/> | <hr/> |
| Total Deferred/Unearned Revenue for Governmental Funds | <u>\$ 3,813,617</u> | <u>\$ 98,268,824</u> | <u>\$ 102,082,441</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

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

B. RECEIVABLES (cont.)

Taxes

At December 31, 2004, 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> |
|----------------|-----------------------|---------------------|-----------------------|
| 2004 | \$ 100,857,453 | \$ - | \$ 100,857,453 |
| 2003 | - | 3,789,102 | 3,789,102 |
| 2002 | - | 1,516,744 | 1,516,744 |
| 2001 | - | 632,413 | 632,413 |
| 2000 | - | 376,683 | 376,683 |
| 1999 and prior | - | 194,577 | 194,577 |
| Total | <u>\$ 100,857,453</u> | <u>\$ 6,509,519</u> | <u>\$ 107,366,972</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 \$1,264,934 is offset by deferred revenue. Payments will be received annually but revenues will be recognized on a monthly basis with the balance deferred.

C. RESTRICTED ASSETS

Restricted assets of \$49,498 included in the Badger Prairie Health Care Center enterprise fund at December 31, 2004 consist of patient trust funds which are not legally available to the County to finance current operations. Restricted assets of \$4,827,343 included in the Sanitary Landfill enterprise fund at December 31, 2004 represents deposits with the State of Wisconsin Department of Natural Resources for long-term care and closure costs of landfill sites. Restricted assets of \$9,765,303 included in the Airport enterprise fund at December 31, 2004 is the accumulation of unspent passenger facility charges as authorized by the Federal Aviation Administration (FAA). The charges are to be used to finance various FAA approved construction projects.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

| | <u>Beginning Balance</u> | <u>Additions⁽²⁾</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|--------------------------------|------------------|---------------------------|
| Governmental Activities | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 47,635,632 | \$ 4,454,664 | \$ - | \$ 52,090,296 |
| Land improvements ⁽¹⁾ | 25,286,400 | 1,706,799 | 85,200 | 26,907,999 |
| Construction in progress | 20,210,503 | 15,730,553 | 698,964 | 35,242,092 |
| Total Capital Assets Not Being Depreciated | <u>93,132,535</u> | <u>21,892,016</u> | <u>784,164</u> | <u>114,240,387</u> |
| Capital Assets Being Depreciated: | | | | |
| Land improvements | 8,844,140 | 645,952 | - | 9,490,092 |
| Buildings | 103,723,880 | 1,926,870 | 51,628 | 105,599,122 |
| Zoo animals | 313,580 | 65,000 | 14,130 | 364,450 |
| Machinery and equipment | 17,204,275 | 2,089,766 | 284,782 | 19,009,259 |
| Roadways – infrastructure | 69,540,013 | 4,462,321 | 2,037,300 | 71,965,034 |
| Bridges – infrastructure | 6,493,071 | - | - | 6,493,071 |
| Traffic signals – infrastructure | 3,197,063 | - | - | 3,197,063 |
| Culverts – infrastructure | 1,521,900 | - | - | 1,521,900 |
| Total Other Capital Assets Being Depreciated | <u>210,837,922</u> | <u>9,189,909</u> | <u>2,387,840</u> | <u>217,639,991</u> |
| Total Capital Assets at Historical Cost | <u>303,970,457</u> | <u>31,081,925</u> | <u>3,172,004</u> | <u>331,880,378</u> |

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

⁽²⁾ \$4,257,540 of the current year additions represent infrastructure assets contributed by other local governments and the state. This is reflected as capital grants and contributions on the public works line item on the statement of activities. The assets are shown on the statement of net assets in the governmental activities column.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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

D. CAPITAL ASSETS (cont.)

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|-------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Less: Accumulated Depreciation for: | | | | |
| Land improvements | \$ 4,265,207 | \$ 303,045 | \$ - | \$ 4,568,252 |
| Buildings | 33,667,900 | 2,491,219 | - | 36,159,119 |
| Zoo animals | 119,135 | 20,280 | 1,859 | 137,556 |
| Machinery and equipment | 12,576,182 | 1,087,213 | 159,692 | 13,503,703 |
| Roadways | 23,732,867 | 2,664,738 | 1,975,980 | 24,421,625 |
| Bridges | 2,389,471 | 129,220 | - | 2,518,691 |
| Traffic signals | 785,983 | 79,780 | - | 865,763 |
| Culverts | 868,940 | 30,000 | - | 898,940 |
| Total Accumulated Depreciation | <u>78,405,685</u> | <u>6,805,495</u> | <u>2,137,531</u> | <u>83,073,649</u> |
| Net Capital Assets | <u>\$ 225,564,772</u> | | | <u>\$ 248,806,729</u> |

Depreciation expense was charged to functions as follows:

Governmental Activities

| | |
|--|---------------------|
| General government | \$ 459,663 |
| Human services | 220,897 |
| Public safety | 1,310,639 |
| Public works, which includes the depreciation of roadways, bridges, traffic signals, and culverts | 3,028,005 |
| Culture, education, and recreation | 1,758,112 |
| Conservation and economic development | 28,179 |
| Total Governmental Activities Depreciation Expense | <u>\$ 6,805,495</u> |

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|-------------------|------------------|---------------------------|
| Business-type Activities | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 29,051,506 | \$ - | \$ 8,329 | \$ 29,043,177 |
| Construction in progress | 27,050,544 | 22,276,964 | 3,082,533 | 46,244,975 |
| Total Capital Assets Not Being Depreciated | <u>56,102,050</u> | <u>22,276,964</u> | <u>3,090,862</u> | <u>75,288,152</u> |
| Capital Assets Being Depreciated: | | | | |
| Land improvements | 102,063,179 | 3,968,903 | 33,758 | 105,998,324 |
| Buildings | 47,147,886 | 2,236,703 | - | 49,384,589 |
| Machinery and equipment | 32,752,790 | 5,728,017 | 2,237,251 | 36,243,556 |
| Total Capital Assets Being Depreciated | <u>181,963,855</u> | <u>11,933,623</u> | <u>2,271,009</u> | <u>191,626,469</u> |
| Total Capital Assets at Historical Cost | <u>238,065,905</u> | <u>34,210,587</u> | <u>5,361,871</u> | <u>266,914,621</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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

D. CAPITAL ASSETS (cont.)

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Business-type Activities (cont.) | | | | |
| Less: Accumulated Depreciation for: | | | | |
| Land improvements | \$ 41,028,408 | \$ 4,182,759 | \$ 33,758 | \$ 45,177,409 |
| Buildings | 15,258,320 | 1,193,178 | - | 16,451,498 |
| Machinery and equipment | <u>19,169,832</u> | <u>2,073,683</u> | <u>1,796,368</u> | <u>19,447,147</u> |
| Total Accumulated Depreciation | <u>75,456,560</u> | <u>7,449,620</u> | <u>1,830,126</u> | <u>81,076,054</u> |
| Net Capital Assets | <u>\$ 162,609,345</u> | | | <u>\$ 185,838,567</u> |

Depreciation expense was charged to functions as follows:

Business-type Activities

| | |
|--|---------------------|
| Airport | \$ 5,037,070 |
| Highway | 938,988 |
| Sanitary Landfill | 1,018,398 |
| Badger Prairie Health Care Center | 227,128 |
| Printing and services | 34,891 |
| Methane gas | <u>193,145</u> |
| Total Business-Type Activities Depreciation Expense | <u>\$ 7,449,620</u> |

E. INTERFUND RECEIVABLES/PAYABLES/ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------------------|--|---------------|
| General Fund | Special Revenue – Human Services | \$ 4,809,467 |
| Special Revenue – Land Information | Special Revenue – CDBG Loans | 150,310 |
| | Special Revenue – HOME | 388,580 |
| Enterprise – Highway | General | 88,812 |
| | Special Revenue – Human Services | 2,148 |
| | Special Revenue – Board of Health | 119 |
| | Special Revenue – Library | 460 |
| | Capital Projects | 17,239 |
| | Enterprise – Badger Prairie Health Care Center | 162 |
| | Enterprise – Printing and Services | 1,307 |
| | Internal Service – Consolidated Food Service | 782 |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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

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

Interfund Receivables/Payables (cont.)

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--|--|-------------------|
| Enterprise – Methane Gas | Enterprise – Badger Prairie Health Care Center | \$ 4,544 |
| | Internal Service – Consolidated Food Service | <u>1,738</u> |
| | | 5,465,668 |
| Total – Fund Financial Statements | | (5,354,370) |
| Less: eliminations | | <u>\$ 111,298</u> |
| Total Government-Wide Financial Statements | | <u>\$ 111,298</u> |
| Governmental Activities | Business-type Activities | \$ - |
| Business-type Activities | Governmental Activities | <u>111,298</u> |
| Total | | <u>\$ 111,298</u> |

The principal purpose of the general and land information fund receivables are to cover cash shortages. The principal purpose of the highway and methane gas fund receivables is to record the billing amounts due from other funds for services provided.

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

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

Advances

The internal service – liability insurance fund is advancing funds to the consolidated foods fund. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the fund's inception. No repayment schedule has been established.

The following is a schedule of interfund advances:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> | <u>Amount Not Due Within One Year</u> |
|--|---------------------------------------|-------------------|---------------------------------------|
| Internal Service – Liability Insurance | Internal Service – Consolidated Foods | <u>\$ 432,623</u> | <u>\$ 432,623</u> |
| Totals – Fund Financial Statements | | 432,623 | <u>\$ 432,623</u> |
| Less: elimination | | <u>(432,623)</u> | |
| Total | | <u>\$ -</u> | |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

Advances (cont.)

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

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

Transfers

The following is a schedule of interfund transfers:

| <u>Fund Transferred To</u> | <u>Fund Transferred From</u> | <u>Amount</u> | <u>Principal Purpose</u> |
|--|---|---------------------|---|
| General | Enterprise – Printing and Services | \$ 53,233 | Transfer income. |
| General | Enterprise – Methane Gas | 318,140 | Annual transfer of methane gas fund's net income to general fund. |
| General | Internal Services – Consolidated Foods | 77,371 | Transfer current net income. |
| Special Revenue – Human services | General | 43,312,653 | Transfer tax subsidy. |
| Debt service | General | 2,004,484 | Transfer debt service payments. |
| Debt service | Enterprise – Highway | 1,006,465 | Transfer funds for infrastructure debt payment. |
| Debt service | Library | 43,563 | Transfer funds for library debt payment. |
| Internal Services – Firearms Training Center | Enterprise – Solid Waste | 1,264,912 | To forgive interfund advance |
| Enterprise – Highway | General | 1,562,000 | To transfer debt proceeds to be used for infrastructure. |
| Enterprise – Badger Prairie health care center | General | <u>6,666,970</u> | Transfer tax subsidy. |
| | Sub-Total – Fund Financial Statements | 56,309,791 | |
| | Eliminate interfund activity | (50,743,571) | |
| | Reclassify infrastructure costs paid by highway enterprise fund | <u>(2,032,903)</u> | |
| | Total – Government-Wide Financial Statements | <u>\$ 3,553,317</u> | |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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

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

Transfers (cont.)

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.

In the fund financial statements, total transfers out of \$57,694,317 are greater than total transfers in of \$56,309,791 because of the treatment of capital assets in the amount of \$1,634,560 and debt and other liabilities in the amount at \$250,034. This net difference of \$1,384,526 was transferred to governmental funds assets and debt after the firearms training center internal service fund was closed during the year. No amounts were reported in the governmental funds as the amount did not involve the transfer of financial resources. However, the internal service funds did report a transfer out for the net capital assets transferred to the general fund.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2004 was as follows:

| | Beginning Balance <u>(As Restated)</u> | <u>Increases</u> | <u>Decreases</u> | Ending Balance | Amounts Due Within One Year |
|--|--|----------------------|----------------------|-----------------------|-----------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Bonds and Notes Payable: | | | | | |
| General obligation debt | | | | | |
| General | \$ 133,496,544 | \$ 10,054,189 | \$ 13,018,980 | \$ 130,531,753 | \$ 12,095,722 |
| Internal service | 353,097 | - | 353,097 | - | - |
| Add/(Subtract) Deferred Amounts For: | | | | | |
| Premium on debt | 1,997,171 | 86,781 | 212,949 | 1,871,003 | - |
| Discount on debt | <u>(48,371)</u> | <u>(341,516)</u> | <u>(49,032)</u> | <u>(340,855)</u> | <u>-</u> |
| Sub-total | <u>135,798,441</u> | <u>9,799,454</u> | <u>13,535,994</u> | <u>132,061,901</u> | <u>12,095,722</u> |
| Other Liabilities: | | | | | |
| Vested compensated absences - general | 27,228,422 | 8,711,507 | 7,141,623 | 28,798,306 | 7,590,563 |
| Vested compensated absences - internal services | 194,477 | 79,292 | 79,846 | 193,923 | 44,114 |
| Claims and judgments (Note V.C.) - general | 140,000 | - | 70,000 | 70,000 | 70,000 |
| Claims and judgments (Note V.C.) - internal services | 260,000 | - | 130,000 | 130,000 | 130,000 |
| Disability benefits (Note V.C.) | 230,350 | 3,184 | 10,615 | 222,919 | 10,615 |
| Capital leases (Note IV.G.) | <u>72,170</u> | <u>-</u> | <u>46,226</u> | <u>25,944</u> | <u>22,443</u> |
| Total Other Liabilities | <u>28,125,419</u> | <u>8,793,983</u> | <u>7,478,310</u> | <u>29,441,092</u> | <u>7,867,735</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 163,923,860</u> | <u>\$ 18,593,437</u> | <u>\$ 21,014,304</u> | <u>\$ 161,502,993</u> | <u>\$ 19,963,457</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

F. LONG-TERM OBLIGATIONS (cont.)

| | Beginning Balance (As Restated) | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---|---------------------------------------|---------------------|---------------------|----------------------|-----------------------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Bonds and Notes Payable: | | | | | |
| General obligation debt | \$ 58,786,762 | \$ 610,384 | \$ 1,064,955 | \$ 58,332,191 | \$ 3,155,435 |
| Add Deferred Amounts For: | | | | | |
| Premiums on Debt | 2,518,854 | - | 355,164 | 2,163,690 | - |
| Sub-total | <u>61,305,616</u> | <u>610,384</u> | <u>1,420,119</u> | <u>60,495,881</u> | <u>3,155,435</u> |
| Other Liabilities: | | | | | |
| Vested compensated absences | 5,715,930 | 2,129,510 | 1,672,066 | 6,173,374 | 1,609,056 |
| Long-term care and postclosure care costs payable (Note IV.H.) | 4,460,461 | 372,373 | 46,640 | 4,786,194 | 46,640 |
| Other notes payable | 99,170 | - | 32,072 | 67,098 | 33,047 |
| Capital leases (Note IV.G.) | 67,072 | - | 67,072 | - | - |
| Total Other Liabilities | <u>10,342,633</u> | <u>2,501,883</u> | <u>1,817,850</u> | <u>11,026,666</u> | <u>1,688,743</u> |
| Total Business-Type Activities Long-Term Liabilities | <u>\$ 71,648,249</u> | <u>\$ 3,112,267</u> | <u>\$ 3,237,969</u> | <u>\$ 71,522,547</u> | <u>\$ 4,844,178</u> |

The beginning balance of long-term obligations have been restated for governmental activities and business-type activities in the amounts of \$197,315 and \$213,720, respectively, to account for compensated absences not reported. See Note IV.J.

In addition, \$239,531 of general obligation debt was reclassified from internal service to general due to the closure of the firearms training internal service fund.

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, 2004, was \$1,926,934,330. Total general obligation debt outstanding at year end was \$188,863,944.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

| | Date of Issue | Final Maturity | Interest Rates | Original Indebtedness | Balance 12-31-04 |
|--|------------------|-------------------|-------------------|--------------------------|-----------------------|
| Governmental Activities | | | | | |
| General Obligation Debt: | | | | | |
| General Obligation Bonds, Series 2004A General Obligation Refunding | 11/01/04 | 06/01/22 | 2.00-4.375% | \$ 7,032,794 | \$ 7,032,794 |
| Promissory Notes, Series 2004B | 11/01/04 | 06/01/09 | 2.75-3.00% | 3,021,823 | 3,021,823 |
| 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 | 28,205,000 |
| General Obligation Promissory Notes, Series 2003C | 06/26/03 | 06/01/23 | 2.00-3.30% | 12,279,112 | 10,788,054 |
| General Obligation Bonds, Series 2002A | 12/01/02 | 06/01/22 | 3.00-5.00% | 29,922,618 | 25,127,487 |
| Taxable General Obligation Bonds, Series 2002C | 12/01/02 | 12/01/22 | 1.75-5.85% | 14,175,000 | 13,840,000 |
| 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 | 1,583,158 |
| General Obligation Corporate Purpose Bonds, Series 2001B | 03/29/01 | 09/01/21 | 4.00-5.00% | 3,030,000 | 2,715,000 |
| General Obligation Refunding Promissory Notes, Series 2001C | 03/29/01 | 09/01/21 | 4.125-43.75% | 9,551,856 | 1,901,757 |
| General Obligation Corporate Purpose Bonds, Series 2000 | 11/09/00 | 09/01/20 | 5.00-5.50% | 11,725,000 | 10,360,000 |
| General Obligation Promissory Notes, Series 1999 | 08/01/99 | 06/01/09 | 4.30-4.625% | 3,714,300 | 390,980 |
| General Obligation Promissory Notes, Series 1998A | 06/15/98 | 06/01/08 | 4.20-4.40% | 4,770,000 | 491,756 |
| General Obligation Promissory Notes, Series 1998B | 09/01/98 | 03/01/14 | 4.10-4.50% | 19,965,000 | 19,095,000 |
| 1997 State Trust Fund Loan | 01/22/97 | 03/15/06 | 5.75% | 420,000 | 112,836 |
| General Obligation Corporate Purpose Bonds, Series 1994B | 09/01/94 | 03/01/14 | 5.00-6.75% | 17,800,000 | <u>400,000</u> |
| Total Governmental Activities – General Obligation Debt | | | | | <u>\$ 130,531,753</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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 12-31-04</u> |
|---|--------------------------|---------------------------|---------------------------|----------------------------------|-----------------------------|
| Business-type Activities | | | | | |
| General Obligation Debt: | | | | | |
| General Obligation Bonds, Series 2004A | 11/01/04 | 06/01/22 | 2.00-4.375% | \$ 152,206 | \$ 152,206 |
| General Obligation Refunding Promissory Notes, Series 2004B | 11/01/04 | 06/01/09 | 2.75-3.00% | 458,178 | 458,177 |
| 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 | 2,511,946 |
| General Obligation Bonds, Series 2002A | 12/01/02 | 06/01/22 | 3.00-5.00% | 202,382 | 117,513 |
| 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 | 221,842 |
| General Obligation Refunding Promissory Notes, Series 2001C | 03/29/01 | 09/01/21 | 4.125-4.375% | 258,144 | 43,243 |
| General Obligation Promissory Notes, Series 1999 | 08/01/99 | 06/01/09 | 4.30-4.625% | 1,035,700 | 109,020 |
| General Obligation Promissory Notes, Series 1998A | 06/15/98 | 06/01/08 | 4.20-4.40% | 80,000 | <u>8,244</u> |
| Total Business-type Activities General Obligation Debt | | | | | <u>\$ 58,332,191</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> | |
| 2005 | \$ 12,095,722 | \$ 5,603,792 | \$ 3,155,435 | \$ 2,608,346 | \$ 23,463,295 |
| 2006 | 9,887,656 | 5,058,198 | 3,185,558 | 2,440,778 | 20,572,190 |
| 2007 | 8,951,756 | 4,742,559 | 3,233,244 | 2,294,270 | 19,221,829 |
| 2008 | 8,582,750 | 4,436,149 | 3,262,250 | 2,144,281 | 18,425,430 |
| 2009 | 8,005,351 | 4,135,138 | 3,229,649 | 1,991,737 | 17,361,875 |
| 2010 – 2014 | 40,608,518 | 15,580,321 | 23,651,055 | 7,048,780 | 86,888,674 |
| 2015 – 2019 | 23,300,000 | 8,227,276 | 9,575,000 | 3,199,888 | 44,302,164 |
| 2020 – 2024 | <u>19,100,000</u> | <u>1,887,611</u> | <u>9,040,000</u> | <u>879,700</u> | <u>30,907,311</u> |
| Totals | <u>\$ 130,531,753</u> | <u>\$ 49,671,044</u> | <u>\$ 58,332,191</u> | <u>\$ 22,607,780</u> | <u>\$ 261,142,768</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Notes Payable - Business-type Activities

Notes payable at December 31, 2004 consist of the following:

| | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rate</u> | <u>Original Indebted- ness</u> | <u>Balance 12-31-04</u> |
|--|--------------------------|---------------------------|--------------------------|--|-----------------------------|
| Business-Type Activities Notes Payable | | | | | |
| Alliant Energy loan | 11/20/01 | 12/31/06 | 3% | \$ 160,500 | \$ 67,098 |
| Total Business-type Activities – Other Notes Payable | | | | | <u>\$ 67,098</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> |
| 2005 | \$ 33,047 | \$ 1,561 |
| 2006 | 34,051 | 557 |
| Totals | <u>\$ 67,098</u> | <u>\$ 2,118</u> |

Capital Leases

Refer to Note IV.G.

Other Debt Information

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

F. LONG-TERM OBLIGATIONS (cont.)

Advance Refunding

On November 1, 2004, the County issued \$3,480,000 in general obligation promissory notes with an average interest rate of 2.85 percent to advance refund \$3,500,000 of outstanding 1998A and 1999 bonds with an average interest rate of 2.85 percent. The net proceeds of \$3,519,437 (after payment of \$16,680 in underwriting fees, insurance and other issuance costs) plus an additional \$56,117 of sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for certain future debt service payments on the 1998A and 1999 bonds. As a result, this portion of the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds and notes prior to the advance refunding was \$3,781,875 from 2006 through 2009. The cash flow requirements on the 2004B refunding notes are \$3,762,415 from 2005 through 2009. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$146,583.

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 \$74,031 and are presented in the fixed assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2004, are as follows:

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| 2005 | \$ 23,767 |
| 2006 | <u>3,713</u> |
| Sub-Total | 27,480 |
| Less: Amount representing interest | <u>(1,536)</u> |
| Present Value of Minimum Lease Payments | <u>\$ 25,944</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 2005 through 2086. Revenues and related expenses for these leases are recorded in the airport fund.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

G. LEASE DISCLOSURES (cont.)

Lessor – Airport Leases (cont.)

Future minimum lease payments to be received under noncancellable operating leases as of December 31, 2004, are as follows:

| <u>Year Ending</u> <u>December 31,</u> | |
|---|----------------------|
| 2005 | \$ 1,689,983 |
| 2006 | 1,557,905 |
| 2007 | 1,221,907 |
| 2008 | 1,216,260 |
| 2009 | 1,126,231 |
| Thereafter | <u>51,443,159</u> |
| Total Future Minimum Rentals | <u>\$ 58,255,445</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 \$5,671,000 for the year ended December 31, 2004.

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 \$4,599,634 reported as landfill closure and postclosure care liability at December 31, 2004 for the Rodefild landfill, represents the cumulative amount reported to date based on the use of 76.09 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,445,358 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2004. 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 \$186,560 reported as landfill postclosure care costs payable at December 31, 2004 for the Verona landfill represents the costs to be incurred for postclosure care on this closed landfill. The County closed the landfill in the year 1988. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

H. CLOSURE AND POSTCLOSURE CARE COST (cont.)

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at December 31, 2004 deposits with the Wisconsin Department of Natural Resources of \$4,827,343, 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.

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, 2004 includes the following:

Governmental Activities

Invested in capital assets, net of related debt

| | |
|--|---------------------|
| Land | \$ 52,090,296 |
| Construction in progress | 35,242,092 |
| Other capital assets, net of accumulated depreciation | 161,474,341 |
| Less: related long-term debt outstanding, premium, discount, and issuance costs (excluding unspent bond proceeds) | <u>(89,320,308)</u> |
| Total Invested in Capital Assets | <u>159,486,421</u> |

Restricted

| | |
|-------------------------|------------------|
| Debt service | |
| Nonmajor funds: | 1,132,310 |
| Board of health | 806,885 |
| Library | 78,646 |
| Land information | 2,085,233 |
| Bridge aid | 35,428 |
| CDBG | 1,999,424 |
| HOME | 463,807 |
| Commerce revolving loan | 568,497 |
| Scheidegger trust fund | <u>424,970</u> |
| Total Restricted | <u>7,595,200</u> |

Unrestricted (deficit) (14,176,579)

Total Governmental Activities Net Assets \$ 152,905,042

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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, 2004 include the following:

| Major Funds | Reserved | | | | | | | | Total |
|---------------------------|----------------------|-----------------|---------------------|-----------------------|---------------------|-------------------|---------------------|----------------------|----------------------|
| | Encumbrances | Prepaid Items | Delinquent Taxes | Long-Term Receivables | Debt Service | Trust Purposes | Designated | Undesignated | |
| General Fund | \$ 1,295,771 | \$ 4,052 | \$ 3,569,696 | \$ 1,135,991 | \$ - | \$ - | \$ 4,553,431 | \$ 16,241,319 | \$ 26,800,260 |
| Human Services | 53,899 | 1,060 | - | - | - | - | - | 31,375 | 86,334 |
| Debt Service | - | - | - | - | 2,597,933 | - | - | - | 2,597,933 |
| Capital Projects | 9,658,020 | - | - | - | - | - | - | 13,934,520 | 23,592,540 |
| Non-Major Funds | | | | | | | | | |
| Board of Health | 73,947 | - | - | - | - | - | - | 732,938 | 806,885 |
| Library | - | - | - | - | - | - | - | 78,646 | 78,646 |
| Land Information | 181,172 | - | - | - | - | - | - | 1,904,061 | 2,085,233 |
| Bridge Aid | - | - | - | - | - | - | - | 35,428 | 35,428 |
| CDBG Loans | 391,566 | - | - | - | - | - | - | (373,071) | 18,495 |
| HOME | 547,053 | - | - | - | - | - | - | (547,058) | (5) |
| Commerce – Revolving Loan | - | - | - | - | - | - | - | 464,555 | 464,555 |
| Scheidegger Trust | - | - | - | - | - | - | - | 424,970 | 424,970 |
| Total | \$ 12,201,428 | \$ 5,112 | \$ 3,569,696 | \$ 1,135,991 | \$ 2,597,933 | \$ 424,970 | \$ 4,553,431 | \$ 32,502,713 | \$ 56,991,274 |

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

| | |
|------------------------|---------------------|
| Tax deed sales | \$ 125,320 |
| Fund balance applied | 2,309,790 |
| Alliant Energy Center | 1,323,370 |
| Carry forwards to 2005 | 794,951 |
| Total | \$ 4,553,431 |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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 | \$ 29,043,177 |
| Construction in progress | 46,244,975 |
| Other capital assets, net of accumulated depreciation | 110,550,415 |
| Less: related long-term debt outstanding, premium, discount, and issuance costs (excluding unspent capital related debt proceeds) | <u>(49,001,628)</u> |
| Total Invested in Capital Assets | <u>136,836,939</u> |
| Restricted | |
| Airport: | |
| Capital projects | 9,765,303 |
| Sanitary Landfill: | |
| Long-term care costs | <u>41,149</u> |
| Total Restricted | <u>9,806,452</u> |
| Unrestricted | <u>34,000,806</u> |
| Total Business-type Activities Net Assets | <u>\$ 180,644,197</u> |

J. RESTATEMENT OF NET ASSETS

Net assets has been restated in the Governmental Activities, Business Activities, Airport fund, and the Highway fund due to a portion of compensated absences that was not recorded in the prior year.

Net Assets – Governmental Activities

| | |
|--|-----------------------|
| December 31, 2003 (as reported) | \$ 132,842,242 |
| Less: Compensated absences not recorded | <u>(197,315)</u> |
| Net Assets – January 1, 2004 (as restated) | <u>\$ 132,644,927</u> |

Net Assets – Business Activities

| | |
|--|-----------------------|
| December 31, 2003 (as reported) | \$ 173,613,951 |
| Less: Compensated absences not recorded | <u>(213,720)</u> |
| Net Assets – January 1, 2004 (as restated) | <u>\$ 173,400,231</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

J. RESTATEMENT OF NET ASSETS (cont.)

Net Assets – Airport

| | |
|--|-----------------------|
| December 31, 2003 (as reported) | \$ 145,411,025 |
| Less: Compensated absences not recorded | <u>(64,160)</u> |
| Net Assets – January 1, 2004 (as restated) | <u>\$ 145,346,865</u> |

Net Assets – Highway

| | |
|--|----------------------|
| December 31, 2003 (as reported) | \$ 10,323,607 |
| Less: Compensated absences not recorded | <u>(149,560)</u> |
| Net Assets – January 1, 2004 (as restated) | <u>\$ 10,174,047</u> |

K. COMPONENT UNIT – DANE COUNTY HOUSING AUTHORITY

This report contains the Dane County Housing Authority (Authority), which is included as a component unit. Financial information combined with the Henry Vilas Park Zoological Society, Inc., also a component unit of the County, and is presented as a discrete column in the statement of net assets and statement of activities.

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

a. **Basis of Accounting/Measurement Focus**

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

b. **Deposits and Investments**

At year end, the carrying amount of the Authority's deposits was \$1,034,625 and the bank balance was \$1,032,542 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.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

b. Deposits and Investments (cont.)

| | Category | | | Totals | Carrying Amount/ Fair Value |
|----------------------------------|-------------------|-------------------|-----------------|---------------------|-----------------------------------|
| | 1 | 2 | 3 | | |
| Total deposits | <u>\$ 594,146</u> | <u>\$ 434,970</u> | <u>\$ 3,426</u> | <u>\$ 1,032,542</u> | \$ 1,010,951 |
| Local government investment pool | | | | | 23,632 |
| Petty cash | | | | | <u>42</u> |
| Total Deposits and Investments | | | | | <u>\$ 1,034,625</u> |
| Unrestricted | | | | | \$ 959,670 |
| Restricted | | | | | <u>74,955</u> |
| Total Cash and Investments | | | | | <u>\$ 1,034,625</u> |

c. Section 8 Funding

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

d. Conduit Debt

DCHA has authorized several developers to issue bonds using DCHA's credit. The proceeds of these bonds were used for housing projects that serve elderly or low-income tenants. The bonds do not constitute an indebtedness or pledge of the faith and credit of DCHA. The amount of principal balance outstanding at December 31, 2004 has not been determined.

e. Loans Receivable

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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

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

e. Loans Receivable (cont.)

Loans receivable and activity therein consisted of the following:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Community Development Block Grant | | | | |
| 1976 Homeowners | \$ 68,004 | \$ - | \$ 2,870 | \$ 65,134 |
| 1982 Homeowners | 123,133 | - | 3,914 | 119,219 |
| 1982 Habitat for Humanity | 35,200 | - | 14,400 | 20,800 |
| HUD Section 17 Rental Rehab | <u>24,792</u> | <u>-</u> | <u>1,845</u> | <u>22,947</u> |
| Loans Receivable | <u>\$ 251,129</u> | <u>\$ -</u> | <u>\$ 23,029</u> | <u>\$ 228,100</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 | \$ 53,779 | \$ - | \$ 1,191,500 | N/A |
| Buildings | 5,824,604 | - | - | 5,824,604 | 27.5 |
| Equipment | 149,124 | - | - | 149,124 | 5-15 |
| Work in progress | <u>-</u> | <u>19,926</u> | <u>-</u> | <u>19,926</u> | N/A |
| Property and equipment | 7,111,449 | 73,705 | - | 7,185,154 | |
| Less: Accumulated depreciation | <u>(4,484,712)</u> | <u>(267,516)</u> | <u>-</u> | <u>(4,752,228)</u> | |
| Property and equipment – net | <u>\$ 2,626,737</u> | <u>\$ (193,811)</u> | <u>\$ -</u> | <u>\$ 2,432,926</u> | |

g. Long-Term Obligations

Notes payable at December 31, 2004 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 2004 were \$32,252. Interest expense was as follows for 2004:

| | |
|--|---------------|
| Base amount required by loan agreement | \$ 15,491 |
| Excess rents applied to interest | <u>-</u> |
| Amount paid by DCHA | 15,491 |
| U.S. government interest subsidy | <u>15,491</u> |
| Interest expense | <u>\$ -</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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

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

g. Long-Term Obligations (cont.)

Future principal payments are as follows:

| | |
|-------|-------------------|
| 2005 | \$ 35,984 |
| 2006 | 40,148 |
| 2007 | 44,794 |
| 2008 | <u>2,138</u> |
| Total | <u>\$ 123,064</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, 2004 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 5.6% of their salary to the Plan for 2004. Employers may make these contributions to the Plan on behalf of the employees.

Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits. For 2004, the payroll for DCHA employees covered by the system was \$486,863; the employer's total payroll was \$486,863. The total required contribution for 2004 was \$53,555, which consisted of \$26,291 or 5.4% of payroll from the employer and \$27,264 or 5.6% of payroll from employees. Total contributions for the years ending December 31, 2003 and 2002 were \$48,793 and \$45,850, respectively, equal to the required contribution for each year.

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

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

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

i. Employee Retirement System (cont.)

WRS uses the "Entry Age Normal with Frozen Initial Liability" actuarial method in establishing employer contribution rates. Under this method, the unfunded actuarial accrued liability (pension-related debt) is affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any liabilities caused by a change in benefit provisions. All actuarial gains or losses arising from the difference between actual and assumed experience are reflected in the determination of the normal cost. Employers' pension-related debt for prior service costs is being amortized over a 40-year period beginning January 1, 1990. Historical trend information showing WRSs progress in accumulating sufficient assets to pay benefits is presented in its annual financial report. As of December 31, 2004, pension-related debt for DCHA was \$216,693 (current portion \$9,607). This liability was determined in accordance with GASB Statement No. 27 regarding pension-related debt. The actuarial methods and assumptions used are unchanged from those used prior to the implementation of GASB Statement No. 27.

j. Post-Employment Benefits Other Than Pension Benefits

In addition to the pension benefits provided to employees through the Wisconsin Retirement System, DCHA provides post-employment health insurance benefits to retired employees with accumulated unused sick pay. These benefits are available until the employee uses up unused sick pay. Currently, two retirees meet these eligibility requirements. DCHA pays the total cost of the insurance and is obligated for benefits under both union and individual employment contracts. The amount of benefits paid for the year was \$5,635 for 2004.

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, 2004 was \$77,887.

Future minimum lease payments are as follows:

| | |
|-------|-------------------|
| 2005 | \$ 80,223 |
| 2006 | <u>47,606</u> |
| Total | <u>\$ 127,829</u> |

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

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

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

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 2004 with interest at the prime rate. The line of credit is secured by real estate and terminates in August 2005. There were no borrowings against the line of credit in 2004.

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

This report contains the Henry Vilas Park Zoological Society, Inc. (the Society), which is included as a component unit. Financial information is combined with the Dane County Housing Authority, also a component unit of the county, and is presented as a discrete column in the statement of net assets and statement of activities.

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

a. Nature of Activities

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

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

Use of Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates.

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

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

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

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

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

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

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

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

- c. Restricted Cash and Investments

As of March 31, 2004, the Society had a cash account totaling \$104,663, which is restricted for animal replacement for the zoo.

- d. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for expenditures related to the polar bears exhibit at March 31, 2004.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

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

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

e. Concentration of Credit Risk

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

f. Concessions Income Agreement and Due for Zoo Improvements

Any and all profits derived from the operation of the concessions stand by the Society are to be expended for capital improvements to and/or animal acquisitions for the Zoo, under an agreement with the County of Dane. Such expenditures are made for projects mutually agreeable to the Society and the County of Dane Zoo Director and become the property of the County of Dane. As of March 31, 2004, all profits derived from the concessions stand operation by the Society were expended or incurred for capital improvements to and/or animal acquisitions for the Zoo. Those expenditures are included with contributions to the Zoo in the accompanying statements of activities.

Similarly, the Society raises contributions and other support to expend on projects mutually agreeable to the Society and the County of Dane with such improvements or animals becoming the property of the County of Dane. The estimated payable for Zoo improvements to the County of Dane was \$169,296 as of March 31, 2004.

g. Contributed Services

The Society recognizes contribution revenue for certain services received at the fair value of those services. Those services primarily consist of skilled labor used in conducting special events or to enhance non-financial assets, which are then contributed to the County of Dane. The total amount of those services for the years ended March 31, 2004 was \$240,741. Additionally, the Society received volunteer time provided by various individuals during 2004, who gave their time to the Society's programs, administration, and fund raising campaigns. No amounts have been reflected in the statements for these donated services since no objective basis is available to measure the value of such services.

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 5.4% of their salary (2.6% for Executives and Elected Officials, 4.0% for Protective Occupations with Social Security, and 2.4% for Protective Occupations without Social Security) to the plan.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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, 2004 was \$100,543,872; the employer's total payroll was \$101,827,497. The total required contribution for the year ended December 31, 2004 was \$12,033,529 or 12.0 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, 2003 and 2002 were \$10,874,708 and \$11,450,969, respectively, equal to the required contributions for each year.

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

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

The unfunded prior service liability for the County as of December 31, 2004, was \$-0-. The County paid off the unfunded prior service liability in 2003.

B. RISK MANAGEMENT

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

Wisconsin Municipal Mutual Insurance Company (WMMIC) is a mutual company operating solely within the property and liability insurance industry. WMMIC was organized to provide property and liability insurance and risk management services to participant municipalities. The aggregate annual maximum coverage per municipality is \$5,000,000. At December 31, 2004, 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 10.50%. A list of other members and their share of participation is in the WMMIC report. Financial statements of WMMIC are available from: Wisconsin Municipal Mutual Insurance Company, 4785 Hayes Road, Madison, WI 53704-7364.

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

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

The claims liabilities for general liability and workers' compensation are actuarially determined using a discount rate of 6%. At December 31, 2004, the County has recognized \$1,538,098 in claims liabilities for general liability, including the WMMIC SIR liability, and has reported \$3,922,154 as retained earnings reserved for self-insurance losses related to general liability. In addition, at December 31, 2004, the County has recognized \$1,456,966 of incurred but not reported claims liabilities for workers' compensation and has retained earnings of \$1,113,216 for self insurance losses related to workers' compensation.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

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:

| | <u>Workers' Compensation</u> | | <u>Liability</u> | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | <u>December 31, 2004</u> | <u>December 31, 2003</u> | <u>December 31, 2004</u> | <u>December 31, 2003</u> |
| Unpaid claims, beginning of fiscal year | \$ 2,537,419 | \$ 2,588,737 | \$ 2,334,559 | \$ 2,531,604 |
| Incurred claims (including IBNRs) and changes in estimates | (7,863) | 941,528 | (501,903) | 48,742 |
| Claim payments | <u>(1,072,590)</u> | <u>(992,846)</u> | <u>(294,558)</u> | <u>(245,787)</u> |
| Unpaid Claims, End of Fiscal Year | <u>\$ 1,456,966</u> | <u>\$ 2,537,419</u> | <u>\$ 1,538,098</u> | <u>\$ 2,334,559</u> |

C. COMMITMENTS AND CONTINGENCIES

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

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

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

During 2004, the County borrowed \$7,563,484 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 (\$5,391,000), general fund (\$1,562,000), and the Badger Prairie Healthcare Center (\$610,384). 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, 2004, 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 \$1,200,000. The balance due as of December 31, 2004 is \$200,000. Of the balance due, \$130,000 has been recorded in the liability insurance internal service fund. The entire \$200,000 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. \$222,919 has been included as governmental activities long-term obligations.

COUNTY OF DANE

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE V – OTHER INFORMATION (cont.)

D. HENRY VILAS ZOO

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

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

E. SUBSEQUENT EVENT

On March 15, 2005, the County borrowed money from the trust funds of the State of Wisconsin in the amount of \$282,500 with an interest rate of 3.5%. This amount will be used to purchase sheriff department vehicles.

F. RELATED ENTITIES

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

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, 2004**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 118,665,763 | \$ 118,665,763 | \$ 121,863,441 | \$ 3,197,678 |
| Intergovernmental | 28,716,460 | 31,102,623 | 25,206,273 | (5,896,350) |
| Public charges for services | 15,393,085 | 16,037,440 | 16,271,223 | 233,783 |
| Fines, forfeitures and penalties | 2,423,000 | 2,423,000 | 2,227,519 | (195,481) |
| Licenses and permits | 684,000 | 684,000 | 909,497 | 225,497 |
| Investment income | 1,566,700 | 1,582,800 | 1,060,697 | (522,103) |
| Miscellaneous | 5,155,292 | 4,832,238 | 4,764,028 | (68,210) |
| Total Revenues | 172,604,300 | 175,327,864 | 172,302,678 | (3,025,186) |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 21,842,252 | 21,870,696 | 21,053,001 | 817,695 |
| Health and human services | 391,377 | 391,377 | 405,677 | (14,300) |
| Public safety and criminal justice | 69,965,788 | 71,379,328 | 71,817,589 | (438,261) |
| Public works | 597,575 | 619,575 | 895,436 | (275,861) |
| Culture, education and recreation | 14,762,183 | 14,709,683 | 12,616,329 | 2,093,354 |
| Conservation and economic development | 10,521,684 | 9,943,514 | 4,590,537 | 5,352,977 |
| Capital Outlay | 2,692,240 | 4,527,384 | 2,863,432 | 1,663,952 |
| Total Expenditures | 120,773,099 | 123,441,557 | 114,242,001 | 9,199,556 |
| | | | | |
| Excess of revenues over expenditures | 51,831,201 | 51,886,307 | 58,060,677 | 6,174,370 |
| OTHER FINANCING SOURCES (USES) | | | | |
| General obligation debt issued | - | - | 1,562,000 | 1,562,000 |
| Transfers in | 560,769 | 560,769 | 448,744 | (112,025) |
| Transfers out | (56,619,457) | (56,619,457) | (53,546,107) | 3,073,350 |
| Total Other Financing Sources (Uses) | (56,058,688) | (56,058,688) | (51,535,363) | 4,523,325 |
| | | | | |
| Net Change in Fund Balance | (4,227,487) | (4,172,381) | 6,525,314 | 10,697,695 |
| | | | | |
| FUND BALANCE - Beginning | 20,274,946 | 20,274,946 | 20,274,946 | - |
| | | | | |
| FUND BALANCE - ENDING | \$ 16,047,459 | \$ 16,102,565 | \$ 26,800,260 | \$ 10,697,695 |

COUNTY OF DANE

GENERAL FUND SCHEDULE OF EXPENDITURES COMPARED TO BUDGET For the Year Ended December 31, 2004

| CURRENT EXPENDITURES | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|-------------|-------------|-------------------------------|
| | Original | Final | | |
| GENERAL GOVERNMENT | | | | |
| County Board | \$ 685,398 | \$ 685,398 | \$ 650,598 | \$ 34,800 |
| Executive | 1,769,087 | 1,780,105 | 1,757,567 | 22,538 |
| County Clerk | 717,911 | 724,211 | 718,251 | 5,960 |
| Administrative | 6,111,286 | 6,159,117 | 6,093,421 | 65,696 |
| Treasurer | 557,447 | 557,347 | 524,403 | 32,944 |
| Corporation Counsel | 4,613,576 | 4,839,881 | 4,642,730 | 197,151 |
| Register of Deeds | 1,341,857 | 1,341,857 | 1,259,748 | 82,109 |
| Facilities Management | 5,522,993 | 5,260,083 | 4,969,076 | 291,007 |
| Humane Society | 437,097 | 437,097 | 437,097 | - |
| Other | 85,600 | 85,600 | 110 | 85,490 |
| Total General Government | 21,842,252 | 21,870,696 | 21,053,001 | 817,695 |
| HEALTH AND HUMAN SERVICES | | | | |
| Veterans' Services | 391,377 | 391,377 | 405,677 | (14,300) |
| PUBLIC SAFETY AND CRIMINAL JUSTICE | | | | |
| Sheriff | 46,493,542 | 46,976,756 | 48,128,512 | (1,151,756) |
| Public Safety Communications | 4,324,802 | 4,324,802 | 4,488,077 | (163,275) |
| Emergency Planning | 2,056,921 | 2,549,820 | 1,596,002 | 953,818 |
| Juvenile Court Program | 2,851,643 | 2,911,643 | 2,907,788 | 3,855 |
| Clerk of Courts | 8,033,788 | 8,133,788 | 8,221,938 | (88,150) |
| Family Court Commissioner | 1,875,977 | 1,866,797 | 1,842,219 | 24,578 |
| Coroner | 670,173 | 670,173 | 698,050 | (27,877) |
| District Attorney | 3,658,942 | 3,945,549 | 3,935,003 | 10,546 |
| Total Public Safety and Criminal Justice | 69,965,788 | 71,379,328 | 71,817,589 | (438,261) |
| PUBLIC WORKS | | | | |
| Parking Ramp | - | 234,122 | 211,423 | 22,699 |
| Public Works | 597,575 | 385,453 | 684,013 | (298,560) |
| Total Public Works | 597,575 | 619,575 | 895,436 | (275,861) |
| CULTURE, EDUCATION AND RECREATION | | | | |
| Henry Vilas Zoo | 1,697,671 | 1,697,671 | 1,743,682 | (46,011) |
| Parks | 3,306,538 | 3,185,538 | 2,806,509 | 379,029 |
| Alliant Center | 8,582,151 | 8,600,151 | 6,855,765 | 1,744,386 |
| County Extension | 872,073 | 922,573 | 906,626 | 15,947 |
| Other | 303,750 | 303,750 | 303,747 | 3 |
| Total Culture, Education and Recreation | 14,762,183 | 14,709,683 | 12,616,329 | 2,093,354 |
| CONSERVATION AND ECONOMIC DEVELOPMENT | | | | |
| Land Conservation | 6,107,168 | 5,934,998 | 1,559,705 | 4,375,293 |
| Planning and Development | 4,414,516 | 4,008,516 | 3,030,832 | 977,684 |
| Total Conservation and Economic Development | 10,521,684 | 9,943,514 | 4,590,537 | 5,352,977 |
| Total Current Expenditures | 118,080,859 | 118,914,173 | 111,378,569 | 7,535,604 |

COUNTY OF DANE

GENERAL FUND (cont.)
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
 For the Year Ended December 31, 2004

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------------|---------------------------|---------------------------|-------------------------------|
| | Original | Final | | |
| CAPITAL OUTLAY | | | | |
| GENERAL GOVERNMENT | | | | |
| Facilities Management | \$ 79,802 | \$ 136,739 | \$ 11,087 | \$ 125,652 |
| Total General Government | <u>79,802</u> | <u>136,739</u> | <u>11,087</u> | <u>125,652</u> |
| PUBLIC SAFETY AND CRIMINAL JUSTICE | | | | |
| Sheriff | 513,235 | 1,475,942 | 743,818 | 732,124 |
| Emergency Planning | <u>385,633</u> | <u>621,263</u> | <u>1,198,648</u> | <u>(577,385)</u> |
| Total Public Safety and Criminal Justice | <u>898,868</u> | <u>2,097,205</u> | <u>1,942,466</u> | <u>154,739</u> |
| PUBLIC WORKS | | | | |
| Highway and Transport | <u>22,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Public Works | <u>22,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| CULTURE, EDUCATION AND RECREATION | | | | |
| Parks | 341,926 | 512,926 | 310,885 | 202,041 |
| Alliant Center | 1,339,502 | 1,294,002 | 558,819 | 735,183 |
| Other | <u>-</u> | <u>23,200</u> | <u>-</u> | <u>23,200</u> |
| Total Culture, Education and Recreation | <u>1,681,428</u> | <u>1,830,128</u> | <u>869,704</u> | <u>960,424</u> |
| CONSERVATION AND ECONOMIC DEVELOPMENT | | | | |
| Planning and Development | 5,942 | 463,312 | 40,175 | 423,137 |
| Land Conservation | <u>4,200</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Conservation and Economic Development | <u>10,142</u> | <u>463,312</u> | <u>40,175</u> | <u>423,137</u> |
| Total Capital Outlay | <u>2,692,240</u> | <u>4,527,384</u> | <u>2,863,432</u> | <u>1,663,952</u> |
| TOTAL CURRENT EXPENDITURES AND CAPITAL OUTLAY | <u>\$ 120,773,099</u> | <u>\$ 123,441,557</u> | <u>\$ 114,242,001</u> | <u>\$ 9,199,556</u> |

COUNTY OF DANE

HUMAN SERVICES SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------------|--------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 131,840,579 | \$ 139,411,308 | \$ 141,805,642 | \$ 2,394,334 |
| Public charges for services | 127,500 | 162,100 | 135,797 | (26,303) |
| Miscellaneous | 4,418,444 | 4,426,824 | 4,111,104 | (315,720) |
| Total Revenues | <u>136,386,523</u> | <u>144,000,232</u> | <u>146,052,543</u> | <u>2,052,311</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Health and Human Services | | | | |
| Personal services | 28,021,237 | 29,186,568 | 25,972,594 | 3,213,974 |
| Contractual services | 152,990,777 | 159,251,099 | 158,996,448 | 254,651 |
| Other | 4,959,543 | 5,162,485 | 4,616,897 | 545,588 |
| Total Health and Human Services | <u>185,971,557</u> | <u>193,600,152</u> | <u>189,585,939</u> | <u>4,014,213</u> |
| Capital Outlay | 19,886 | 5,000 | 1,466 | 3,534 |
| Total Expenditures | <u>185,991,443</u> | <u>193,605,152</u> | <u>189,587,405</u> | <u>4,017,747</u> |
| Excess (deficiency) of revenues over (under) expenditures | (49,604,920) | (49,604,920) | (43,534,862) | 6,070,058 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 49,770,627 | 49,770,627 | 43,312,653 | (6,457,974) |
| Total Other Financing Sources | <u>49,770,627</u> | <u>49,770,627</u> | <u>43,312,653</u> | <u>(6,457,974)</u> |
| Net Change in Fund Balance | 165,707 | 165,707 | (222,209) | (387,916) |
| FUND BALANCE - Beginning | <u>308,543</u> | <u>308,543</u> | <u>308,543</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 474,250</u> | <u>\$ 474,250</u> | <u>\$ 86,334</u> | <u>\$ (387,916)</u> |

COUNTY OF DANE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2004

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 | | | |
| Veterans Services | \$ 391,377 | \$ 405,677 | \$ 14,300 |
| Sheriff | 46,976,756 | 48,128,512 | 1,151,756 |
| Public Safety Communications | 4,324,802 | 4,488,077 | 163,275 |
| Clerk of Courts | 8,133,788 | 8,221,938 | 88,150 |
| Coroner | 670,173 | 698,050 | 27,877 |
| Public Works | 385,453 | 684,013 | 298,560 |
| Henry Vilas Zoo | 1,697,671 | 1,743,682 | 46,011 |

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

Supplemental appropriations for the general fund and the human services fund during the year were \$2,668,458 and \$7,613,709, respectively.

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, 2004

| | Special Revenue Funds | | | |
|--|-----------------------|---------------------|---------------------|-------------------|
| | Board of Health | Library | Land Information | Bridge Aid |
| ASSETS | | | | |
| Cash and investments | \$ 951,286 | \$ 80,400 | \$ 1,619,023 | \$ 35,428 |
| Receivables | | | | |
| Taxes | 3,102,403 | 3,600,408 | - | 281,800 |
| Accounts | 57,879 | 15,057 | 3,360 | - |
| Loans | - | - | - | - |
| Due from other governments | 6,733 | - | - | - |
| Due from other funds | - | - | 538,890 | - |
| TOTAL ASSETS | \$ 4,118,301 | \$ 3,695,865 | \$ 2,161,273 | \$ 317,228 |
| LIABILITIES | | | | |
| Accounts payable | \$ 100,211 | \$ 7,253 | \$ 46,403 | \$ - |
| Accrued payroll and payroll taxes | 91,656 | 9,098 | 7,613 | - |
| Due to other governments | 17,027 | - | 22,024 | - |
| Due to other funds | 119 | 460 | - | - |
| Deferred revenue | 3,102,403 | 3,600,408 | - | 281,800 |
| Total Liabilities | <u>3,311,416</u> | <u>3,617,219</u> | <u>76,040</u> | <u>281,800</u> |
| FUND BALANCES | | | | |
| Reserved for: | | | | |
| Encumbrances | 73,947 | - | 181,172 | - |
| Trust activities | - | - | - | - |
| Unreserved and undesignated (deficit) | 732,938 | 78,646 | 1,904,061 | 35,428 |
| Total Fund Balances (Deficit) | <u>806,885</u> | <u>78,646</u> | <u>2,085,233</u> | <u>35,428</u> |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 4,118,301 | \$ 3,695,865 | \$ 2,161,273 | \$ 317,228 |

| Special Revenue Funds | | | | Total |
|-----------------------|-------------------|----------------------------|---------------------------|-----------------------------------|
| CDBG Loans | HOME | Commerce Revolving Loan | Scheidegger Trust Fund | Nonmajor Governmental Funds |
| \$ - | \$ - | \$ 464,555 | \$ 424,970 | \$ 3,575,662 |
| - | - | - | - | 6,984,611 |
| - | 388,638 | - | - | 464,934 |
| 1,980,929 | 463,812 | 103,942 | - | 2,548,683 |
| 347,184 | 15,547 | - | - | 369,464 |
| - | - | - | - | 538,890 |
| <u>\$ 2,328,113</u> | <u>\$ 867,997</u> | <u>\$ 568,497</u> | <u>\$ 424,970</u> | <u>\$ 14,482,244</u> |
| \$ 105,334 | \$ 15,610 | \$ - | \$ - | \$ 274,811 |
| - | - | - | - | 108,367 |
| 73,045 | - | - | - | 112,096 |
| 150,310 | 388,580 | - | - | 539,469 |
| 1,980,929 | 463,812 | 103,942 | - | 9,533,294 |
| <u>2,309,618</u> | <u>868,002</u> | <u>103,942</u> | <u>-</u> | <u>10,568,037</u> |
| 391,566 | 547,053 | - | - | 1,193,738 |
| - | - | - | 424,970 | 424,970 |
| (373,071) | (547,058) | 464,555 | - | 2,295,499 |
| <u>18,495</u> | <u>(5)</u> | <u>464,555</u> | <u>424,970</u> | <u>3,914,207</u> |
| <u>\$ 2,328,113</u> | <u>\$ 867,997</u> | <u>\$ 568,497</u> | <u>\$ 424,970</u> | <u>\$ 14,482,244</u> |

COUNTY OF DANE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2004**

| | Special Revenue Funds | | | |
|--|-----------------------|------------------|---------------------|------------------|
| | Board of Health | Library | Land Information | Bridge Aid |
| REVENUES | | | | |
| Taxes | \$ 2,923,599 | \$ 3,532,230 | \$ - | \$ 138,434 |
| Intergovernmental | 1,804,618 | 17,262 | 24,000 | - |
| Public charges for services | 6,395 | 3,589 | 840,422 | - |
| Licenses and permits | 950,084 | - | - | - |
| Miscellaneous | 4,108 | 1,991 | - | - |
| Total Revenues | <u>5,688,804</u> | <u>3,555,072</u> | <u>864,422</u> | <u>138,434</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Health and human services | 5,173,480 | - | - | - |
| Public works | - | - | - | 139,091 |
| Culture, education and recreation | - | 3,549,564 | - | - |
| Conservation and economic development | - | - | 971,220 | - |
| Capital Outlay | - | - | 9,577 | - |
| Total Expenditures | <u>5,173,480</u> | <u>3,549,564</u> | <u>980,797</u> | <u>139,091</u> |
| Excess (deficiency) of revenues over (under) expenditures | 515,324 | 5,508 | (116,375) | (657) |
| OTHER FINANCING USES | | | | |
| Transfers Out | - | (43,563) | - | - |
| Net Change in Fund Balances | 515,324 | (38,055) | (116,375) | (657) |
| FUND BALANCES (DEFICIT) - Beginning | <u>291,561</u> | <u>116,701</u> | <u>2,201,608</u> | <u>36,085</u> |
| FUND BALANCES (DEFICIT) - ENDING | <u>\$ 806,885</u> | <u>\$ 78,646</u> | <u>\$ 2,085,233</u> | <u>\$ 35,428</u> |

| Special Revenue Funds | | | | Total |
|-----------------------|----------------|----------------------------|---------------------------|-----------------------------------|
| CDBG Loans | HOME | Commerce Revolving Loan | Scheidegger Trust Fund | Nonmajor Governmental Funds |
| \$ - | \$ - | \$ - | \$ - | \$ 6,594,263 |
| 427,151 | 575,822 | 457,711 | - | 3,306,564 |
| - | - | - | - | 850,406 |
| - | - | - | - | 950,084 |
| <u>121,529</u> | <u>7,000</u> | <u>-</u> | <u>4,807</u> | <u>139,435</u> |
| <u>548,680</u> | <u>582,822</u> | <u>457,711</u> | <u>4,807</u> | <u>11,840,752</u> |
| - | - | - | - | 5,173,480 |
| - | - | - | - | 139,091 |
| - | - | - | - | 3,549,564 |
| 548,680 | 578,752 | 40,041 | - | 2,138,693 |
| - | - | - | - | 9,577 |
| <u>548,680</u> | <u>578,752</u> | <u>40,041</u> | <u>-</u> | <u>11,010,405</u> |
| - | 4,070 | 417,670 | 4,807 | 830,347 |
| - | - | - | - | (43,563) |
| - | 4,070 | 417,670 | 4,807 | 786,784 |
| <u>18,495</u> | <u>(4,075)</u> | <u>46,885</u> | <u>420,163</u> | <u>3,127,423</u> |
| <u>\$ 18,495</u> | <u>\$ (5)</u> | <u>\$ 464,555</u> | <u>\$ 424,970</u> | <u>\$ 3,914,207</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, 2004

| | Final Budget | Actual | Variance with Final Budget |
|--|-------------------------|-------------------------|-------------------------------|
| REVENUES | | | |
| Taxes | \$ 10,743,151 | \$ 10,743,151 | \$ - |
| Investment income | 335,000 | 446,988 | 111,988 |
| Miscellaneous | <u>1,474,500</u> | <u>1,487,917</u> | <u>13,417</u> |
| Total Revenues | <u>12,552,651</u> | <u>12,678,056</u> | <u>125,405</u> |
| EXPENDITURES | | | |
| Debt Service | | | |
| Principal retirement | 8,419,541 | 9,960,352 | (1,540,811) |
| Interest and fees | <u>5,527,913</u> | <u>6,307,950</u> | <u>(780,037)</u> |
| Total Expenditures | <u>13,947,454</u> | <u>16,268,302</u> | <u>(2,320,848)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,394,803)</u> | <u>(3,590,246)</u> | <u>(2,195,443)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| General obligation debt issued | - | 81,900 | 81,900 |
| Refunding bonds issued | - | 3,019,189 | 3,019,189 |
| Payments to refunded bond escrow agent | - | (3,058,628) | (3,058,628) |
| Debt premium | - | 86,781 | 86,781 |
| Transfers in | <u>632,200</u> | <u>3,054,512</u> | <u>2,422,312</u> |
| Total Other Financing Sources (Uses) | <u>632,200</u> | <u>3,183,754</u> | <u>2,551,554</u> |
| Net Change in Fund Balances | (762,603) | (406,492) | 356,111 |
| FUND BALANCES - Beginning | <u>3,004,425</u> | <u>3,004,425</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 2,241,822</u> | <u>\$ 2,597,933</u> | <u>\$ 356,111</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, 2004

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------------|---------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 6,534,072 | \$ 497,951 | \$ (6,036,121) |
| Public charges for services | 1,326,055 | 1,176,623 | (149,432) |
| Miscellaneous | 813,627 | - | (813,627) |
| Total Revenues | <u>8,673,754</u> | <u>1,674,574</u> | <u>(6,999,180)</u> |
| EXPENDITURES | | | |
| Capital Outlay | <u>50,969,676</u> | <u>21,596,189</u> | <u>29,373,487</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(42,295,922)</u> | <u>(19,921,615)</u> | <u>22,374,307</u> |
| OTHER FINANCING SOURCES | | | |
| General obligation debt issued | <u>17,016,900</u> | <u>5,391,100</u> | <u>(11,625,800)</u> |
| Total Other Financing Sources | <u>17,016,900</u> | <u>5,391,100</u> | <u>(11,625,800)</u> |
| Net Change in Fund Balances | (25,279,022) | (14,530,515) | 10,748,507 |
| FUND BALANCES - Beginning | <u>38,123,055</u> | <u>38,123,055</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 12,844,033</u> | <u>\$ 23,592,540</u> | <u>\$ 10,748,507</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, 2004**

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-----------------------|---------------------------------------|
| REVENUES | | | |
| Taxes | \$ 2,923,599 | \$ 2,923,599 | \$ - |
| Intergovernmental | 1,908,802 | 1,804,618 | (104,184) |
| Public charges for services | 20,000 | 6,395 | (13,605) |
| Licenses and permits | 877,450 | 950,084 | 72,634 |
| Miscellaneous | 3,204 | 4,108 | 904 |
| Total Revenues | <u>5,733,055</u> | <u>5,688,804</u> | <u>(44,251)</u> |
| EXPENDITURES | | | |
| Current | | | |
| Health and human services | | | |
| Personal services | 4,574,368 | 4,242,399 | 331,969 |
| Contractual services | 588,173 | 474,039 | 114,134 |
| Other | 687,636 | 457,042 | 230,594 |
| Total Expenditures | <u>5,850,177</u> | <u>5,173,480</u> | <u>676,697</u> |
| Excess (deficiency) of revenues over (under) expenditures | (117,122) | 515,324 | 632,446 |
| FUND BALANCES - Beginning | <u>291,561</u> | <u>291,561</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 174,439</u> | <u>\$ 806,885</u> | <u>\$ 632,446</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, 2004

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|------------------|---------------------------------------|
| REVENUES | | | |
| Taxes | \$ 3,532,230 | \$ 3,532,230 | \$ - |
| Intergovernmental | 13,152 | 17,262 | 4,110 |
| Public charges for services | 12,300 | 3,589 | (8,711) |
| Miscellaneous | <u>10,000</u> | <u>1,991</u> | <u>(8,009)</u> |
| Total Revenues | <u>3,567,682</u> | <u>3,555,072</u> | <u>(12,610)</u> |
| EXPENDITURES | | | |
| Current | | | |
| Culture, education and recreation | | | |
| Personal services | 480,315 | 486,572 | (6,257) |
| Contractual services | 2,797,700 | 2,793,680 | 4,020 |
| Other | <u>281,552</u> | <u>269,312</u> | <u>12,240</u> |
| Total Culture, Education and Recreation Expenditures | 3,559,567 | 3,549,564 | 10,003 |
| Debt Service | | | |
| Principal retirement | <u>41,800</u> | <u>-</u> | <u>41,800</u> |
| Total Expenditures | <u>3,601,367</u> | <u>3,549,564</u> | <u>51,803</u> |
| Excess (deficiency) of revenues over (under) expenditures | (33,685) | 5,508 | 39,193 |
| OTHER FINANCING USES | | | |
| Transfers out | <u>-</u> | <u>(43,563)</u> | <u>(43,563)</u> |
| Net Change in Fund Balance | (33,685) | (38,055) | (4,370) |
| FUND BALANCES - Beginning | <u>116,701</u> | <u>116,701</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 83,016</u> | <u>\$ 78,646</u> | <u>\$ (4,370)</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, 2004

| | Final Budget | Actual | Variance with Final Budget |
|--|-------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 300 | \$ 24,000 | \$ 23,700 |
| Public charges for services | <u>634,270</u> | <u>840,422</u> | <u>206,152</u> |
| Total Revenues | <u>634,570</u> | <u>864,422</u> | <u>229,852</u> |
| EXPENDITURES | | | |
| Current | | | |
| Conservation and economic development | | | |
| Personal services | 387,866 | 369,725 | 18,141 |
| Contractual services | 955,841 | 517,996 | 437,845 |
| Other | <u>129,928</u> | <u>83,499</u> | <u>46,429</u> |
| Total Conservation and Economic Development Expenditures | 1,473,635 | 971,220 | 502,415 |
| Capital Outlay | <u>431,529</u> | <u>9,577</u> | <u>421,952</u> |
| Total Expenditures | <u>1,905,164</u> | <u>980,797</u> | <u>924,367</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,270,594) | (116,375) | 1,154,219 |
| FUND BALANCES - Beginning | <u>2,201,608</u> | <u>2,201,608</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 931,014</u> | <u>\$ 2,085,233</u> | <u>\$ 1,154,219</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, 2004**

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | |
| Taxes | <u>\$ 138,434</u> | <u>\$ 138,434</u> | <u>\$ -</u> |
| EXPENDITURES | | | |
| Current | | | |
| Public works | <u>174,520</u> | <u>139,091</u> | <u>35,429</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(36,086)</u> | <u>(657)</u> | <u>35,429</u> |
| FUND BALANCES - Beginning | <u>36,085</u> | <u>36,085</u> | <u>-</u> |
| FUND BALANCES (DEFICIT) - ENDING | <u>\$ (1)</u> | <u>\$ 35,428</u> | <u>\$ 35,429</u> |

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, 2004

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|------------------|---------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 3,102,881 | \$ 427,151 | \$ (2,675,730) |
| Miscellaneous | <u>80,000</u> | <u>121,529</u> | <u>41,529</u> |
| Total Revenues | <u>3,182,881</u> | <u>548,680</u> | <u>(2,634,201)</u> |
| EXPENDITURES | | | |
| Conservation and economic development | <u>3,179,796</u> | <u>548,680</u> | <u>2,631,116</u> |
| Excess (deficiency) of revenues over (under) expenditures | 3,085 | - | (3,085) |
| FUND BALANCES - Beginning | <u>18,495</u> | <u>18,495</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 21,580</u> | <u>\$ 18,495</u> | <u>\$ (3,085)</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, 2004**

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|----------------|---------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 1,650,940 | \$ 575,822 | \$ (1,075,118) |
| Miscellaneous | - | 7,000 | 7,000 |
| Total Revenues | <u>1,650,940</u> | <u>582,822</u> | <u>(1,068,118)</u> |
| EXPENDITURES | | | |
| Conservation and economic development | <u>1,650,940</u> | <u>578,752</u> | <u>1,072,188</u> |
| Excess of revenues over expenditures | - | 4,070 | 4,070 |
| FUND BALANCES (DEFICIT) - Beginning | <u>(4,075)</u> | <u>(4,075)</u> | <u>-</u> |
| FUND BALANCES (DEFICIT) - ENDING | <u>\$ (4,075)</u> | <u>\$ (5)</u> | <u>\$ 4,070</u> |

COUNTY OF DANE

COMMERCE REVOLVING LOAN SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
 For the Year Ended December 31, 2004

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 2,000 | \$ 457,711 | \$ 455,711 |
| Total Revenues | <u>2,000</u> | <u>457,711</u> | <u>455,711</u> |
| EXPENDITURES | | | |
| Conservation and economic development | <u>124,982</u> | <u>40,041</u> | <u>84,941</u> |
| Total Expenditures | <u>124,982</u> | <u>40,041</u> | <u>84,941</u> |
| Excess (deficiency) of revenues over (under) expenditures | (122,982) | 417,670 | 540,652 |
| FUND BALANCES - Beginning | <u>46,885</u> | <u>46,885</u> | <u>-</u> |
| FUND BALANCES (DEFICIT) - ENDING | <u>\$ (76,097)</u> | <u>\$ 464,555</u> | <u>\$ 540,652</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, 2004

| | Enterprise Funds | | Total Nonmajor Proprietary Funds |
|---|--------------------------|---------------------|---|
| | Printing and Services | Methane Gas | |
| ASSETS | | | |
| Current Assets | | | |
| Cash and investments | \$ 161,312 | \$ 459,490 | \$ 620,802 |
| Accounts receivable, net | 2,867 | 122,293 | 125,160 |
| Due from other governmental units | 46,741 | - | 46,741 |
| Due from other funds | - | 6,282 | 6,282 |
| Inventory | 86,221 | - | 86,221 |
| Total Current Assets | 297,141 | 588,065 | 885,206 |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Machinery and equipment | 575,768 | 5,106,048 | 5,681,816 |
| Less accumulated depreciation | (539,678) | (1,047,551) | (1,587,229) |
| Total Capital Assets (Net of Accumulated Depreciation) | 36,090 | 4,058,497 | 4,094,587 |
| Total Noncurrent Assets | 36,090 | 4,058,497 | 4,094,587 |
| Total Assets | 333,231 | 4,646,562 | 4,979,793 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 11,148 | 192,067 | 203,215 |
| Accrued payroll and payroll taxes | 8,032 | 1,360 | 9,392 |
| Accrued compensated absences | 37,443 | 4,191 | 41,634 |
| Other accrued liabilities and deposits | 92 | 28,078 | 28,170 |
| Due to other funds | 1,307 | - | 1,307 |
| Current portion of general obligation debt | 17,717 | 229,000 | 246,717 |
| Total Current Liabilities | 75,739 | 454,696 | 530,435 |
| Noncurrent Liabilities | | | |
| Accrued compensated absences | 105,143 | 9,736 | 114,879 |
| General obligation long-term debt | 17,796 | 1,988,000 | 2,005,796 |
| Total Noncurrent Liabilities | 122,939 | 1,997,736 | 2,120,675 |
| Total Liabilities | 198,678 | 2,452,432 | 2,651,110 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 577 | 2,008,568 | 2,009,145 |
| Unrestricted | 133,976 | 185,562 | 319,538 |
| TOTAL NET ASSETS | \$ 134,553 | \$ 2,194,130 | \$ 2,328,683 |

COUNTY OF DANE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - NONMAJOR PROPRIETARY FUNDS For the Year Ended December 31, 2004

| | Enterprise Funds | | Total |
|---|--------------------------|---------------------|---------------------|
| | Printing and Services | Methane Gas | |
| OPERATING REVENUES | | | |
| Charges for services | \$ 970,640 | \$ 854,505 | \$ 1,825,145 |
| Total Operating Revenues | <u>970,640</u> | <u>854,505</u> | <u>1,825,145</u> |
| OPERATING EXPENSES | | | |
| Personal services | 428,234 | 85,597 | 513,831 |
| Contractual services | 77,562 | - | 77,562 |
| Other | 362,983 | 238,865 | 601,848 |
| Depreciation | <u>34,891</u> | <u>193,145</u> | <u>228,036</u> |
| Total Operating Expenses | <u>903,670</u> | <u>517,607</u> | <u>1,421,277</u> |
| Operating Income | <u>66,970</u> | <u>336,898</u> | <u>403,868</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest expense | (1,936) | (84,082) | (86,018) |
| Gain on sale of capital assets | <u>777</u> | <u>-</u> | <u>777</u> |
| Total Nonoperating Revenues (Expenses) | <u>(1,159)</u> | <u>(84,082)</u> | <u>(85,241)</u> |
| Income before transfers | 65,811 | 252,816 | 318,627 |
| Transfers out | <u>(53,233)</u> | <u>(318,140)</u> | <u>(371,373)</u> |
| Change in Net Assets | 12,578 | (65,324) | (52,746) |
| TOTAL NET ASSETS - Beginning | <u>121,975</u> | <u>2,259,454</u> | <u>2,381,429</u> |
| TOTAL NET ASSETS - ENDING | <u>\$ 134,553</u> | <u>\$ 2,194,130</u> | <u>\$ 2,328,683</u> |

COUNTY OF DANE

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2004**

| | <u>Enterprise Funds</u> | | |
|---|--------------------------------------|------------------------|--------------------|
| | <u>Printing and Services</u> | <u>Methane Gas</u> | <u>Total</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Received from customers | \$ 656,157 | \$ 777,239 | \$ 1,433,396 |
| Received from other funds | 358,414 | - | 358,414 |
| Paid to suppliers for goods and services | (534,857) | (185,230) | (720,087) |
| Paid to employees for services | (428,234) | (85,597) | (513,831) |
| Net Cash Flows From Operating Activities | <u>51,480</u> | <u>506,412</u> | <u>557,892</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers out | (53,233) | (318,140) | (371,373) |
| Advances from other funds | 194,093 | - | 194,093 |
| Net Cash Flows From Noncapital Financing Activities | <u>140,860</u> | <u>(318,140)</u> | <u>(177,280)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal payments on long-term debt | (17,959) | (206,000) | (223,959) |
| Principal payments on capital lease | (11,088) | - | (11,088) |
| Interest paid | (1,981) | (86,073) | (88,054) |
| Acquisition and construction of capital assets | - | (2,174,896) | (2,174,896) |
| Net Cash Flows From Capital and Related Financing Activities | <u>(31,028)</u> | <u>(2,466,969)</u> | <u>(2,497,997)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 161,312 | (2,278,697) | (2,117,385) |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>-</u> | <u>2,738,187</u> | <u>2,738,187</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 161,312</u> | <u>\$ 459,490</u> | <u>\$ 620,802</u> |

| | Enterprise Funds | | |
|--|-----------------------------|----------------|----------------|
| | Printing and Services | Methane Gas | Total |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES | | | |
| Operating income | \$ 66,970 | \$ 336,898 | \$ 403,868 |
| Non-operating income | 777 | - | 777 |
| Adjustments to reconcile operating income to net cash flows from operating activities | | | |
| Depreciation | 34,891 | 193,145 | 228,036 |
| Change in assets and liabilities | | | |
| Accounts receivable | (41,224) | (70,984) | (112,208) |
| Due from other funds | 39 | (6,282) | (6,243) |
| Due from other governmental units | 84,339 | - | 84,339 |
| Inventories | 35,753 | - | 35,753 |
| Accounts payable | (4,543) | 53,335 | 48,792 |
| Accrued payroll and payroll taxes | (11,899) | (1,266) | (13,165) |
| Accrued compensated absences | (27,778) | 2,601 | (25,177) |
| Due to other governments | (3,422) | (1,013) | (4,435) |
| Due to other funds | (82,423) | (22) | (82,445) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | \$ 51,480 | \$ 506,412 | \$ 557,892 |

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, 2004

| | <u>Workers'</u> <u>Compensation</u> | <u>Liability</u> <u>Insurance</u> | <u>Employee</u> <u>Benefits</u> | <u>Consolidated</u> <u>Food Service</u> | <u>Totals</u> |
|--|--|--------------------------------------|------------------------------------|--|--------------------|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and investments | \$ 2,527,415 | \$ 2,524,134 | \$ 1,272,221 | \$ - | \$ 6,323,770 |
| Accounts receivable, net | 7,784 | 824,331 | - | 27 | 832,142 |
| Deposits | <u>50,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>50,000</u> |
| Total Current Assets | <u>2,585,199</u> | <u>3,348,465</u> | <u>1,272,221</u> | <u>27</u> | <u>7,205,912</u> |
| Noncurrent Assets | | | | | |
| Restricted deposit with Wisconsin Mutual Insurance Company | | | | | |
| | - | 1,809,171 | - | - | 1,809,171 |
| Advances to other funds | - | 432,623 | - | - | 432,623 |
| Capital Assets | | | | | |
| Buildings | - | - | - | 1,968,705 | 1,968,705 |
| Machinery and equipment | - | - | - | 947,262 | 947,262 |
| Less accumulated depreciation | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,297,218)</u> | <u>(1,297,218)</u> |
| Total capital assets (net of accumulated depreciation) | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,618,749</u> | <u>1,618,749</u> |
| Total Noncurrent Assets | <u>-</u> | <u>2,241,794</u> | <u>-</u> | <u>1,618,749</u> | <u>3,860,543</u> |
| Total Assets | <u>2,585,199</u> | <u>5,590,259</u> | <u>1,272,221</u> | <u>1,618,776</u> | <u>11,066,455</u> |

| LIABILITIES | Workers' Compensation | Liability Insurance | Employee Benefits | Consolidated Food Service | Totals |
|---|----------------------------------|--------------------------------|------------------------------|--------------------------------------|---------------------|
| Current Liabilities | | | | | |
| Accounts payable | \$ 15,017 | \$ 7 | \$ - | \$ 49,259 | \$ 64,283 |
| Accrued payroll and payroll taxes | - | - | - | 30,473 | 30,473 |
| Accrued compensated absences | - | - | - | 44,114 | 44,114 |
| Other accrued liabilities and deposits | 1,456,966 | 1,538,098 | - | - | 2,995,064 |
| Due to other governments | - | - | - | 816 | 816 |
| Due to other funds | - | - | - | 2,520 | 2,520 |
| Current portion of other liabilities | - | 130,000 | - | - | 130,000 |
| Total Current Liabilities | 1,471,983 | 1,668,105 | - | 127,182 | 3,267,270 |
| Noncurrent Liabilities | | | | | |
| Advance from other funds | - | - | - | 432,623 | 432,623 |
| Accrued compensated absences | - | - | - | 149,808 | 149,808 |
| Total Noncurrent Liabilities | - | - | - | 582,431 | 582,431 |
| Total Liabilities | 1,471,983 | 1,668,105 | - | 709,613 | 3,849,701 |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | - | - | - | 1,618,749 | 1,618,749 |
| Unrestricted (deficit) | 1,113,216 | 3,922,154 | 1,272,221 | (709,586) | 5,598,005 |
| TOTAL NET ASSETS | \$ 1,113,216 | \$ 3,922,154 | \$ 1,272,221 | \$ 909,163 | \$ 7,216,754 |

COUNTY OF DANE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS For the Year Ended December 31, 2004

| | Workers' Compensation | Liability Insurance | Employee Benefits |
|---|--------------------------|------------------------|----------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 1,099,661 | \$ 1,707,524 | \$ - |
| Other | - | 6,000 | - |
| Total Operating Revenues | <u>1,099,661</u> | <u>1,713,524</u> | <u>-</u> |
| OPERATING EXPENSES | | | |
| Personal services | - | - | - |
| Contractual services | - | - | 193,035 |
| Insurance services | (7,863) | 579,621 | - |
| Other | - | 122,657 | - |
| Depreciation | - | - | - |
| Total Operating Expenses | <u>(7,863)</u> | <u>702,278</u> | <u>193,035</u> |
| Operating Income (Loss) | <u>1,107,524</u> | <u>1,011,246</u> | <u>(193,035)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | - | 194,271 | 507 |
| Interest expense | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>-</u> | <u>194,271</u> | <u>507</u> |
| Income (Loss) Before Transfers | 1,107,524 | 1,205,517 | (192,528) |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Changes in Net Assets | <u>1,107,524</u> | <u>1,205,517</u> | <u>(192,528)</u> |
| TOTAL NET ASSETS - Beginning | <u>5,692</u> | <u>2,716,637</u> | <u>1,464,749</u> |
| TOTAL NET ASSETS - ENDING | <u>\$ 1,113,216</u> | <u>\$ 3,922,154</u> | <u>\$ 1,272,221</u> |

| <u>Firearms Training Center</u> | <u>Consolidated Food Service</u> | <u>Totals</u> |
|-------------------------------------|--------------------------------------|---------------|
| \$ - | \$ 3,475,970 | \$ 6,283,155 |
| - | 1,061 | 7,061 |
| - | 3,477,031 | 6,290,216 |
| - | 1,660,146 | 1,660,146 |
| - | - | 193,035 |
| - | - | 571,758 |
| - | 1,504,739 | 1,627,396 |
| - | 97,039 | 97,039 |
| - | 3,261,924 | 4,149,374 |
| - | 215,107 | 2,140,842 |
| - | - | 194,778 |
| - | (12,700) | (12,700) |
| - | (12,700) | 182,078 |
| - | 202,407 | 2,322,920 |
| 1,264,912 | - | 1,264,912 |
| (1,384,526) | (77,371) | (1,461,897) |
| (119,614) | 125,036 | 2,125,935 |
| 119,614 | 784,127 | 5,090,819 |
| \$ - | \$ 909,163 | \$ 7,216,754 |

COUNTY OF DANE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2004

| | <u>Workers' Compen- sation</u> | <u>Liability Insurance</u> |
|--|--|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Received from customers | \$ - | \$ - |
| Received from other funds | 1,091,877 | 1,784,853 |
| Paid to suppliers for goods and services | (1,072,626) | (1,527,834) |
| Paid to employees for services | - | - |
| Net Cash Flows From Operating Activities | <u>19,251</u> | <u>257,019</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Operating transfers - out | - | - |
| Payment of other long-term debt | - | (130,000) |
| Advances from (to) other funds | - | (432,623) |
| Net Cash Flows From Noncapital Financing Activities | <u>-</u> | <u>(562,623)</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 | - | 194,271 |
| Net Cash Flows From Investing Activities | <u>-</u> | <u>194,271</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 19,251 | (111,333) |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>2,508,164</u> | <u>2,635,467</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 2,527,415</u> | <u>\$ 2,524,134</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES | | |
| Income (loss) from operations | \$ 1,107,524 | \$ 1,011,246 |
| Adjustments to reconcile income (loss) to net cash flows from operating activities: | | |
| Depreciation | - | - |
| Change in assets and liabilities: | | |
| Accounts receivable | (7,784) | 71,329 |
| Due from other governments | - | - |
| Accounts payable | 468 | 7 |
| Accrued compensated absences | - | - |
| Other accrued liabilities and deposits | (1,080,453) | (796,461) |
| Due to other governments | (504) | - |
| Due to other funds | - | (29,102) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | <u>\$ 19,251</u> | <u>\$ 257,019</u> |

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

The Firearms Training Center fund was forgiven an advance in the amount of \$1,264,912. This same fund also transferred \$1,634,560 of capital assets and \$239,531 of debt as the operations of this activity are now being reported in the general fund.

| <u>Employee Benefits</u> | <u>Firearms Training Center</u> | <u>Consolidated Food Service</u> | <u>Totals</u> |
|--------------------------|---------------------------------|----------------------------------|---------------------|
| \$ - | \$ - | \$ 3,477,052 | \$ 3,477,052 |
| - | - | - | 2,876,730 |
| (201,616) | - | (1,563,467) | (4,365,543) |
| - | - | (1,660,146) | (1,660,146) |
| <u>(201,616)</u> | <u>-</u> | <u>253,439</u> | <u>328,093</u> |
| - | - | (77,371) | (77,371) |
| - | - | - | (130,000) |
| - | - | 189,729 | (242,894) |
| <u>-</u> | <u>-</u> | <u>112,358</u> | <u>(450,265)</u> |
| - | - | (353,097) | (353,097) |
| - | - | (12,700) | (12,700) |
| <u>-</u> | <u>-</u> | <u>(365,797)</u> | <u>(365,797)</u> |
| 507 | - | - | 194,778 |
| <u>507</u> | <u>-</u> | <u>-</u> | <u>194,778</u> |
| (201,109) | - | - | (293,191) |
| <u>1,473,330</u> | <u>-</u> | <u>-</u> | <u>6,616,961</u> |
| <u>\$ 1,272,221</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,323,770</u> |
| \$ (193,035) | \$ - | \$ 215,107 | \$ 2,140,842 |
| - | - | 97,039 | 97,039 |
| - | - | (27) | 63,518 |
| - | - | 48 | 48 |
| - | - | (26,927) | (26,452) |
| - | - | 37,493 | 37,493 |
| - | - | (65,577) | (1,942,491) |
| - | - | (5,085) | (5,589) |
| <u>(8,581)</u> | <u>-</u> | <u>1,368</u> | <u>(36,315)</u> |
| <u>\$ (201,616)</u> | <u>\$ -</u> | <u>\$ 253,439</u> | <u>\$ 328,093</u> |

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FIDUCIARY FUNDS

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

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

- *Delinquent Special Assessments* – Accounts for delinquent special assessments collected for municipalities within the County.
- *Clerk of Courts Agency Account* – Accounts for fines and forfeitures to be disbursed to the County and other municipalities.
- *State Tax Levy and Special Charges* – Accounts for receipts and disbursements for state charges included in property tax billings.
- *Other* – The remaining agency funds account for receipts and disbursements of various taxes and deposits collected by the County, acting in the capacity of agent, for distribution to other governmental units or designated beneficiaries.

COUNTY OF DANE

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2004

| | Private Purpose Trusts | | | Totals |
|---|--------------------------|---------------------------------|----------------------------|-------------------|
| | John T. Lyle Trust | Blockstein Memorial Trust | Lyman Anderson Trust | |
| ASSETS | | | | |
| Cash and investments | \$ 205,100 | \$ 15,007 | \$ 390 | \$ 220,497 |
| Total Assets | <u>205,100</u> | <u>15,007</u> | <u>390</u> | <u>220,497</u> |
| LIABILITIES | - | - | - | - |
| NET ASSETS | | | | |
| Reserved for private purpose trust activities | <u>205,100</u> | <u>15,007</u> | <u>390</u> | <u>220,497</u> |
| TOTAL NET ASSETS | <u>\$ 205,100</u> | <u>\$ 15,007</u> | <u>\$ 390</u> | <u>\$ 220,497</u> |

COUNTY OF DANE

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2004**

| | Private Purpose Trusts | | | Totals |
|--|------------------------|---------------------------------|----------------------------|-------------------|
| | John T. Lyle Trust | Blockstein Memorial Trust | Lyman Anderson Trust | |
| ADDITIONS | | | | |
| Investment earnings | \$ 10,546 | \$ 186 | \$ 390 | \$ 11,122 |
| Total Additions | <u>10,546</u> | <u>186</u> | <u>390</u> | <u>11,122</u> |
| DEDUCTIONS | | | | |
| Scholarships and Badger Prairie Health Care Center patient benefits | 7,140 | - | - | \$ 7,140 |
| Total Deductions | <u>7,140</u> | <u>-</u> | <u>-</u> | <u>7,140</u> |
| Change in Net Assets | 3,406 | 186 | 390 | \$ 3,982 |
| NET ASSETS - Beginning | <u>201,694</u> | <u>14,821</u> | <u>-</u> | \$ 216,515 |
| NET ASSETS - ENDING | <u>\$ 205,100</u> | <u>\$ 15,007</u> | <u>\$ 390</u> | <u>\$ 220,497</u> |

COUNTY OF DANE

**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended December 31, 2004**

| | <u>Balance January 1, 2004</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance December 31, 2004</u> |
|--|--|---------------------|---------------------|--|
| DELINQUENT SPECIAL ASSESSMENTS | | | | |
| Assets | | | | |
| Cash and investments | \$ 37,244 | \$ 25,506 | \$ 37,244 | \$ 25,506 |
| Taxes receivable | <u>702,864</u> | <u>1,027,979</u> | <u>702,864</u> | <u>1,027,979</u> |
| Total Assets | <u>\$ 740,108</u> | <u>\$ 1,053,485</u> | <u>\$ 740,108</u> | <u>\$ 1,053,485</u> |
| Liabilities | | | | |
| Due to other governmental units | <u>\$ 740,108</u> | <u>\$ 1,053,485</u> | <u>\$ 740,108</u> | <u>\$ 1,053,485</u> |
| Total Liabilities | <u>\$ 740,108</u> | <u>\$ 1,053,485</u> | <u>\$ 740,108</u> | <u>\$ 1,053,485</u> |
| CLERK OF COURTS AGENCY ACCOUNT | | | | |
| Assets | | | | |
| Cash and investments | <u>\$ 1,768,635</u> | <u>\$ 2,157,161</u> | <u>\$ 1,768,635</u> | <u>\$ 2,157,161</u> |
| Liabilities | | | | |
| Other accrued liabilities and deposits | <u>\$ 1,768,635</u> | <u>\$ 2,157,161</u> | <u>\$ 1,768,635</u> | <u>\$ 2,157,161</u> |

COUNTY OF DANE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS (cont.) For the Year Ended December 31, 2004

| | <u>Balance January 1, 2004</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance December 31, 2004</u> |
|---|--|------------------|-------------------|--|
| STATE TAX LEVY AND SPECIAL CHARGES | | | | |
| Assets | | | | |
| Taxes Receivable | \$ 6,900,171 | \$ 7,656,343 | \$ 6,900,171 | \$ 7,656,343 |
| Liabilities | | | | |
| Due to Other Governmental Units | \$ 6,900,171 | \$ 7,656,343 | \$ 6,900,171 | \$ 7,656,343 |
| OTHER | | | | |
| Assets | | | | |
| Cash and investments | \$ 4,924,152 | \$ 9,767,626 | \$ 4,924,152 | \$ 9,767,626 |
| Total Assets | \$ 4,924,152 | \$ 9,767,626 | \$ 4,924,152 | \$ 9,767,626 |
| Liabilities | | | | |
| Accounts payable | \$ 6,450 | \$ 4,668 | \$ 6,450 | \$ 4,668 |
| Other accrued liabilities and deposits | 637,407 | 748,139 | 637,407 | 748,139 |
| Due to other governmental units | 4,280,295 | 9,014,819 | 4,280,295 | 9,014,819 |
| Total Liabilities | \$ 4,924,152 | \$ 9,767,626 | \$ 4,924,152 | \$ 9,767,626 |
| TOTAL - ALL AGENCY FUNDS | | | | |
| Assets | | | | |
| Cash and investments | \$ 6,730,031 | \$ 11,950,293 | \$ 6,730,031 | \$ 11,950,293 |
| Taxes receivable | 7,603,035 | 8,684,322 | 7,603,035 | 8,684,322 |
| Total Assets | \$ 14,333,066 | \$ 20,634,615 | \$ 14,333,066 | \$ 20,634,615 |
| Liabilities | | | | |
| Accounts payable | \$ 6,450 | \$ 4,668 | \$ 6,450 | \$ 4,668 |
| Other accrued liabilities and deposits | 2,406,042 | 2,905,300 | 2,406,042 | 2,905,300 |
| Due to other governmental units | 11,920,574 | 17,724,647 | 11,920,574 | 17,724,647 |
| Total Liabilities | \$ 14,333,066 | \$ 20,634,615 | \$ 14,333,066 | \$ 20,634,615 |

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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 included are as follows:

Special Assessment Billings and Collections - Last Ten Fiscal Years
The County has no special assessments.

Revenue Bond Coverage - Last Ten Fiscal Years
The County has no outstanding Revenue Bonds.

TABLE 1

COUNTY OF DANE

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS (1)

| Fiscal Year | General Government | Public Safety & Criminal Justice | Health & Human Services | Conservation & Economic Development | Culture, Education & Recreation | Public Works | Capital Outlay | Debt Service (2) | Total |
|-------------|--------------------|----------------------------------|-------------------------|-------------------------------------|---------------------------------|--------------|----------------|------------------|---------------|
| 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 |
| 2004 | \$21,053,001 | \$71,817,589 | \$195,165,096 | \$6,729,230 | \$16,165,893 | \$1,034,527 | \$24,470,664 | \$19,326,930 | \$355,762,930 |

(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 | | | |
| 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 |
| 2004 | \$139,200,855 | \$170,816,430 | \$1,859,581 | \$2,227,519 | \$18,434,049 | \$1,507,685 | \$10,502,484 | | | \$344,548,603 |

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

TABLE 3

COUNTY OF DANE

PROPERTY TAX LEVIES AND COLLECTIONS (A)

LAST TEN FISCAL YEARS

| Fiscal Year | Tax Levy | Current Year Collections | Percentage of Levy Collected | Prior Years' Collections | Total Collections | Outstanding Delinquent Taxes |
|-------------|---------------|--------------------------|------------------------------|--------------------------|-------------------|------------------------------|
| 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 |
| 2004 | \$731,298,367 | \$728,190,120 | 99.57% | \$3,140,261 | \$731,330,381 | \$6,509,519 |

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

TABLE 4

COUNTY OF DANE**EQUALIZED VALUE OF TAXABLE PROPERTY (A)****LAST TEN FISCAL YEARS**

| Fiscal Year | Real Estate Property Equalized Value | Personal Property Equalized Value | Total All Property Equalized Value |
|--------------------|---|--|---|
| 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 |
| 2004 | \$32,826,611,500 | \$897,881,450 | \$33,724,492,950 |

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

TABLE 5

COUNTY OF DANE

PROPERTY TAX RATES

LAST TEN BUDGET YEARS

| <u>Budget Year</u> | <u>Tax Levy</u> | <u>Rate per \$1,000 of Equalized Valuation</u> |
|------------------------|-----------------|--|
| 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 |
| 2004 | \$97,456,418 | \$2.89 |

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 |
|-------------|-------------------|---|----------------------|--------------------|
| 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 |
| 2004 | \$97,456,418 | \$2.89 | \$39,687,000 | \$137,143,418 |

(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 |
| 1995 | 393,857 | \$16,641,953,850 | \$67,672,959 | 0.41 | \$171.82 |
| 1996 | 398,233 | \$18,541,671,550 | \$69,584,010 | 0.38 | \$174.73 |
| 1997 | 402,988 | \$19,905,147,150 | \$66,521,095 | 0.33 | \$165.07 |
| 1998 | 407,584 | \$21,398,730,500 | \$64,158,139 | 0.30 | \$157.41 |
| 1999 | 413,090 | \$22,706,995,850 | \$61,603,478 | 0.27 | \$149.13 |
| 2000 | 426,526 | (B) \$24,076,956,450 | \$67,039,101 | 0.28 | \$157.17 |
| 2001 | 431,815 | \$25,759,648,950 | \$65,620,990 | 0.25 | \$151.97 |
| 2002 | 438,881 | \$28,547,467,250 | \$108,018,989 | 0.38 | \$246.12 |
| 2003 | 445,253 | \$31,108,023,850 | \$133,849,641 | 0.43 | \$300.61 |
| 2004 | 450,730 | \$33,724,492,950 | \$130,531,753 | 0.39 | \$289.60 |

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, 2004

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>\$38,538,686,600</u> |
| Debt limit - 5% of equalized value | \$1,926,934,330 |
| Amount of debt applicable to debt limit: | |
| General obligation debt (2) | \$188,863,944 |
| Less: | |
| Asset amount in Debt Service fund available for payment of principal: | |
| Net amount in Debt Service fund available for payment of principal | <u>\$2,597,933</u> |
| Net amount of debt applicable to debt limit | <u>\$186,266,011</u> |
| Legal debt margin | <u>\$1,740,668,319</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, 2004

| Governmental Unit | Percentage of Valuation Within <u>Dane County</u> | Total Debt Outstanding | Gross Debt Applicable To Valuation Within <u>Dane County</u> | Exclusions (1) Applicable To Valuation Within <u>Dane County</u> | Net Debt Applicable To Valuation Within <u>Dane County</u> |
|-------------------------------|---|------------------------|--|--|--|
| DIRECT DEBT | | | | | |
| <u>County</u> | | | | | |
| Dane | 100.0% | \$188,863,944 | \$188,863,944 | \$66,707,522 | \$122,156,422 |
| TOTAL DIRECT DEBT | | <u>\$188,863,944</u> | <u>\$188,863,944</u> | <u>\$66,707,522</u> | <u>\$122,156,422</u> |
| GROSS OVERLAPPING DEBT | | | | | |
| <u>Cities</u> | | | | | |
| Edgerton | 0.2% | \$12,223,655 | \$24,447 | \$12,957 | \$11,490 |
| Fitchburg | 100.0% | \$17,184,388 | \$17,184,388 | \$896,017 | \$16,288,371 |
| Madison | 100.0% | \$296,412,060 | \$296,412,060 | \$116,107,060 | \$180,305,000 |
| Middleton | 100.0% | \$68,344,385 | \$68,344,385 | \$27,875,000 | \$40,469,385 |
| Monona | 100.0% | \$25,542,494 | \$25,542,494 | \$2,030,349 | \$23,512,145 |
| Stoughton | 100.0% | \$31,188,847 | \$31,188,847 | \$16,304,768 | \$14,884,079 |
| Sun Prairie | 100.0% | \$61,414,634 | \$61,414,634 | \$8,310,000 | \$53,104,634 |
| Verona | 100.0% | \$33,191,381 | \$33,191,381 | \$5,887,946 | \$27,303,435 |
| Total for Cities | | <u>\$545,501,844</u> | <u>\$533,302,636</u> | <u>\$177,424,097</u> | <u>\$355,878,539</u> |
| <u>Villages</u> | | | | | |
| Belleville | 0.9% | \$2,130,171 | \$20,002 | \$482 | \$19,520 |
| Black Earth | 100.0% | \$3,023,325 | \$3,023,325 | \$685,804 | \$2,337,521 |
| Blue Mounds | 100.0% | \$1,970,134 | \$1,970,134 | \$1,565,238 | \$404,896 |
| Brooklyn | 57.0% | \$2,351,920 | \$1,340,594 | \$1,727,487 | (\$386,893) |
| Cambridge | 92.8% | \$3,148,821 | \$2,920,846 | \$1,146,821 | \$1,774,025 |
| Cottage Grove | 100.0% | \$14,365,999 | \$14,365,999 | \$3,547,999 | \$10,818,000 |
| Cross Plains | 100.0% | \$4,839,126 | \$4,839,126 | \$675,207 | \$4,163,919 |
| Dane | 100.0% | \$1,130,238 | \$1,130,238 | \$938,308 | \$191,930 |
| Deerfield | 100.0% | \$5,226,055 | \$5,226,055 | \$1,055,000 | \$4,171,055 |
| DeForest | 100.0% | \$32,320,694 | \$32,320,694 | \$2,495,000 | \$29,825,694 |
| Maple Bluff | 100.0% | \$6,545,846 | \$6,545,846 | \$0 | \$6,545,846 |
| Marshall | 100.0% | \$9,683,242 | \$9,683,242 | \$6,158,242 | \$3,525,000 |

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2004

| Governmental Unit GROSS OVERLAPPING DEBT (Continued) | Percentage of Valuation Within Dane County | Total Debt Outstanding | Gross Debt Applicable To Valuation Within Dane County | Exclusions (1) Applicable To Valuation Within Dane County | Net Debt Applicable To Valuation Within Dane County |
|---|---|------------------------------|--|--|--|
| | | | | | |
| Mazomanie | 100.0% | \$8,981,111 | \$8,981,111 | \$6,509,706 | \$2,471,405 |
| McFarland | 100.0% | \$11,025,000 | \$11,025,000 | \$2,190,000 | \$8,835,000 |
| Mt. Horeb | 100.0% | \$11,635,800 | \$11,635,800 | \$4,932,083 | \$6,703,717 |
| Oregon | 100.0% | \$17,632,118 | \$17,632,118 | \$7,031,431 | \$10,600,687 |
| Rockdale | 100.0% | \$174,000 | \$174,000 | \$144,000 | \$30,000 |
| Shorewood Hills | 100.0% | \$7,222,415 | \$7,222,415 | \$496,200 | \$6,726,215 |
| Waunakee | 100.0% | \$29,856,739 | \$29,856,739 | \$7,265,000 | \$22,591,739 |
| Total for Villages | | \$173,262,754 | \$169,913,284 | \$48,564,008 | \$121,349,276 |
| <u>Towns</u> | | | | | |
| Albion | 100.0% | \$2,250,000 | \$2,250,000 | \$2,200,000 | \$50,000 |
| Berry | 100.0% | \$416,360 | \$416,360 | \$0 | \$416,360 |
| Black Earth | 100.0% | \$125,000 | \$125,000 | \$0 | \$125,000 |
| Blooming Grove | 100.0% | \$514,221 | \$514,221 | \$0 | \$514,221 |
| Blue Mounds | 100.0% | \$97,996 | \$97,996 | \$0 | \$97,996 |
| Bristol | 100.0% | \$246,000 | \$246,000 | \$0 | \$246,000 |
| Burke | 100.0% | \$1,514,678 | \$1,514,678 | \$1,385,866 | \$128,812 |
| Christiana | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Cottage Grove | 100.0% | \$1,501,000 | \$1,501,000 | \$0 | \$1,501,000 |
| Cross Plains | 100.0% | \$997,281 | \$997,281 | \$0 | \$997,281 |
| Dane | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Deerfield | 100.0% | \$520,000 | \$520,000 | \$0 | \$520,000 |
| Dunkirk | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Dunn | 100.0% | \$3,220,730 | \$3,220,730 | \$0 | \$3,220,730 |
| Madison | 100.0% | \$7,208,738 | \$7,208,738 | \$2,325,000 | \$4,883,738 |
| Mazomanie | 100.0% | \$166,912 | \$166,912 | \$0 | \$166,912 |
| Medina | 100.0% | \$685,771 | \$685,771 | \$0 | \$685,771 |
| Middleton | 100.0% | \$1,990,000 | \$1,990,000 | \$0 | \$1,990,000 |
| Montrose | 100.0% | \$82,859 | \$82,859 | \$0 | \$82,859 |
| Oregon | 100.0% | \$0 | \$0 | \$0 | \$0 |

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2004

| 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) | | | | | |
| Perry | 100.0% | \$182,070 | \$182,070 | \$0 | \$182,070 |
| Pleasant Springs | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Primrose | 100.0% | \$36,062 | \$36,062 | \$0 | \$36,062 |
| Roxbury | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Rutland | 100.0% | \$13,639 | \$13,639 | \$0 | \$13,639 |
| Springdale | 100.0% | \$180,000 | \$180,000 | \$0 | \$180,000 |
| Springfield | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Sun Prairie | 100.0% | \$115,016 | \$115,016 | \$0 | \$115,016 |
| Vermont | 100.0% | \$90,000 | \$90,000 | \$0 | \$90,000 |
| Verona | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Vienna | 100.0% | \$1,326,926 | \$1,326,926 | \$0 | \$1,326,926 |
| Westport | 100.0% | \$2,600,900 | \$2,600,900 | \$0 | \$2,600,900 |
| Windsor | 100.0% | \$4,677,900 | \$4,677,900 | \$549,892 | \$4,128,008 |
| York | 100.0% | \$144,320 | \$144,320 | \$0 | \$144,320 |
| Total for Towns | | \$30,904,379 | \$30,904,379 | \$6,460,758 | \$24,443,621 |
| School Districts | | | | | |
| Barneveld | 1.1% | \$1,434,804 | \$15,783 | \$0 | \$15,783 |
| Belleville | 68.7% | \$5,900,000 | \$4,053,300 | \$0 | \$4,053,300 |
| Cambridge | 44.7% | \$13,930,000 | \$6,226,710 | \$0 | \$6,226,710 |
| Columbus | 9.2% | \$7,485,000 | \$688,620 | \$0 | \$688,620 |
| Deerfield Community | 100.0% | \$12,655,493 | \$12,655,493 | \$0 | \$12,655,493 |
| DeForest Area | 96.0% | \$41,095,000 | \$39,451,200 | \$0 | \$39,451,200 |
| Edgerton | 20.5% | \$11,610,000 | \$2,380,050 | \$0 | \$2,380,050 |
| Evansville Community | 0.1% | \$28,495,000 | \$28,495 | \$0 | \$28,495 |
| Lodi | 16.3% | \$21,190,000 | \$3,453,970 | \$0 | \$3,453,970 |
| Madison Metropolitan | 100.0% | \$39,525,000 | \$39,525,000 | \$0 | \$39,525,000 |
| Marshall et al | 100.0% | \$20,145,000 | \$20,145,000 | \$0 | \$20,145,000 |
| McFarland | 100.0% | \$32,521,405 | \$32,521,405 | \$0 | \$32,521,405 |
| Middleton-Cross Plains | 100.0% | \$40,936,324 | \$40,936,324 | \$0 | \$40,936,324 |

(Continued on next page)

TABLE 9

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2004

| Governmental Unit | Percentage of Valuation Within | Total Debt Outstanding | Gross Debt Applicable To Valuation Within | Exclusions (1) Applicable To Valuation Within | Net Debt Applicable To Valuation Within |
|---|--------------------------------|------------------------|---|---|---|
| | | | | | |
| GROSS OVERLAPPING DEBT (Continued) | | | | | |
| Monona Grove | 100.0% | \$33,770,000 | \$33,770,000 | \$0 | \$33,770,000 |
| Mount Horeb Area | 99.7% | \$25,498,939 | \$25,422,442 | \$0 | \$25,422,442 |
| New Glarus | 12.0% | \$6,857,373 | \$822,885 | \$0 | \$822,885 |
| Oregon | 96.3% | \$39,555,000 | \$38,091,465 | \$0 | \$38,091,465 |
| Pecatonica Area | 2.9% | \$3,275,000 | \$94,975 | \$0 | \$94,975 |
| Poynette | 0.2% | \$8,205,000 | \$16,410 | \$0 | \$16,410 |
| River Valley | 0.1% | \$8,470,000 | \$8,470 | \$0 | \$8,470 |
| Sauk Prairie | 13.8% | \$17,740,000 | \$2,448,120 | \$0 | \$2,448,120 |
| Stoughton Area | 99.1% | \$29,213,000 | \$28,950,083 | \$0 | \$28,950,083 |
| Sun Prairie et al | 99.9% | \$69,165,000 | \$69,095,835 | \$0 | \$69,095,835 |
| Verona Area | 100.0% | \$30,097,240 | \$30,097,240 | \$0 | \$30,097,240 |
| Waterloo | 4.4% | \$2,726,520 | \$119,967 | \$0 | \$119,967 |
| Waunakee Community | 100.0% | \$34,342,124 | \$34,342,124 | \$0 | \$34,342,124 |
| Wisconsin Heights | 97.0% | \$0 | \$0 | \$0 | \$0 |
| MATC, District 4 | 67.8% | \$25,140,000 | \$17,044,920 | \$0 | \$17,044,920 |
| Total for School Districts | | \$610,978,222 | \$482,406,286 | \$0 | \$482,406,286 |
| Sanitary Districts | | | | | |
| ABS Sanitary District | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Dunn Sanitary District # 3 | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Dunn Sanitary District # 4 | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Hidden Springs Sanitary District | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Kegonsa Sanitary District | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Lake Windsor Sanitary District | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Madison Metropolitan Sewerage District | 100.0% | \$60,401,307 | \$60,401,307 | \$0 | \$60,401,307 |
| Middleton Sanitary District # 5 | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Middleton Sanitary District # 6 | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Morrisonville Sanitary District #1 | 100.0% | \$251,310 | \$251,310 | \$0 | \$251,310 |
| Oak Springs Sanitary District | 100.0% | \$0 | \$0 | \$0 | \$0 |

(Continued on next page)

COUNTY OF DANE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2004

| | 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 |
|--|--|------------------------|---|---|---|
| <u>Governmental Unit</u> | | | | | |
| GROSS OVERLAPPING DEBT (Continued) | | | | | |
| Oakridge Sanitary District | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Pleasant Springs Sanitary District | 100.0% | \$1,412,432 | \$1,412,432 | \$0 | \$1,412,432 |
| Roxbury Sanitary District | 100.0% | \$128,473 | \$128,473 | \$0 | \$128,473 |
| Windsor Sanitary District # 1 | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Windsor Sanitary District # 3 | 100.0% | \$0 | \$0 | \$0 | \$0 |
| Total for Sanitary Districts | | <u>\$62,193,522</u> | <u>\$62,193,522</u> | <u>\$0</u> | <u>\$62,193,522</u> |
| TOTAL GROSS OVERLAPPING DEBT | | <u>\$1,422,840,721</u> | <u>\$1,278,720,107</u> | <u>\$232,448,863</u> | <u>\$1,046,271,244</u> |
| TOTAL DIRECT AND OVERLAPPING DEBT - ALL JURISDICTIONS | | <u>\$1,611,704,665</u> | <u>\$1,467,584,051</u> | <u>\$299,156,385</u> | <u>\$1,168,427,666</u> |

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

(Continued from previous page)

COUNTY OF DANE

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

| 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) | |
| 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% |
| 2004 | \$13,018,980 | \$6,218,687 | \$19,237,667 | \$355,762,930 | 5.407% |

(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

| Fiscal Year | AS OF DECEMBER 31, 2004 (1) | | | Total Requirement |
|----------------|-----------------------------|-------------|--|----------------------|
| | Principal | Interest | | |
| 1995 | \$5,853,777 | \$4,172,220 | | \$10,025,997 |
| 1996 | \$7,662,801 | \$4,438,546 | | \$12,101,347 |
| 1997 | \$7,922,157 | \$4,146,748 | | \$12,068,904 |
| 1998 | \$8,355,843 | \$3,732,275 | | \$12,088,119 |
| 1999 | \$8,194,365 | \$3,431,459 | | \$11,625,824 |
| 2000 | \$8,336,574 | \$3,222,134 | | \$11,558,708 |
| 2001 | \$8,454,019 | \$3,260,209 | | \$11,714,228 |
| 2002 | \$8,596,550 | \$3,195,696 | | \$11,792,246 |
| 2003 | \$15,939,227 | \$6,593,359 | | \$22,532,586 |
| 2004 | \$14,437,031 | \$8,930,288 | | \$23,367,319 |
| 2005 | \$15,251,157 | \$8,212,138 | | \$23,463,295 |
| 2006 | \$13,073,214 | \$7,498,976 | | \$20,572,190 |
| 2007 | \$12,185,000 | \$7,036,829 | | \$19,221,829 |
| 2008 | \$11,845,000 | \$6,580,430 | | \$18,425,430 |
| 2009 | \$11,235,000 | \$6,126,875 | | \$17,361,875 |
| 2010 | \$11,010,000 | \$5,669,783 | | \$16,679,783 |
| 2011 | \$12,025,000 | \$5,161,401 | | \$17,186,401 |
| 2012 | \$17,150,000 | \$4,648,981 | | \$21,798,981 |
| 2013 | \$12,475,000 | \$3,849,655 | | \$16,324,655 |
| 2014 | \$11,600,000 | \$3,299,281 | | \$14,899,281 |
| 2015 | \$5,955,000 | \$2,888,906 | | \$8,843,906 |
| 2016 | \$6,235,000 | \$2,605,059 | | \$8,840,059 |
| 2017 | \$6,555,000 | \$2,306,540 | | \$8,861,540 |
| 2018 | \$6,890,000 | \$1,986,083 | | \$8,876,083 |
| 2019 | \$7,240,000 | \$1,640,575 | | \$8,880,575 |
| 2020 | \$7,620,000 | \$1,268,520 | | \$8,888,520 |
| 2021 | \$7,655,000 | \$876,181 | | \$8,531,181 |
| 2022 | \$7,840,000 | \$487,939 | | \$8,327,939 |
| 2023 | \$4,700,000 | \$127,563 | | \$4,827,563 |
| 2024 | \$325,000 | \$7,109 | | \$332,109 |

(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) |
|-------------|----------------|-----------------------|--|-----------------------|-----------------------|
| 1995 | 393,857 | \$25,695 | 14.1 | 66,273 | 1.8% |
| 1996 | 398,233 | \$26,704 | 14.1 | 67,175 | 1.7% |
| 1997 | 402,988 | \$28,023 | 14.1 | 68,067 | 1.7% |
| 1998 | 407,584 | \$30,129 | 14.1 | 68,923 | 1.5% |
| 1999 | 413,090 | \$31,345 | 14.1 | 69,416 | 1.4% |
| 2000 | 426,526 | \$33,539 (2) | 14.1 | 70,107 | 1.7% |
| 2001 | 432,654 | \$34,624 | 14.1 | 70,370 | 2.0% |
| 2002 | 438,881 | \$35,462 | 14.1 | 70,947 | 3.1% |
| 2003 | 445,253 | \$36,455 | 14.1 | 72,764 | 2.8% |
| 2004 | 450,730 | (4) | 14.1 | 73,126 | 2.6% |

(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

COUNTY OF DANE
PROPERTY VALUE AND NEW CONSTRUCTION

| Fiscal Year | Total Value All Property (1) | Non-Residential Construction (2) | | Residential Construction (3) | |
|-------------|------------------------------|----------------------------------|----------------|------------------------------|---------------|
| | | # of Permits | Value | # of Permits | Value |
| 1995 | \$ 16,641,953,850 | N.A. | \$ 264,500,000 | 3,092 | \$258,785,000 |
| 1996 | \$ 18,541,671,550 | N.A. | \$ 370,000,000 | 2,478 | \$265,499,000 |
| 1997 | \$ 19,905,147,150 | N.A. | \$ 320,000,000 | 2,593 | \$269,409,000 |
| 1998 | \$ 21,398,730,500 | N.A. | \$ 450,000,000 | 3,066 | \$335,821,000 |
| 1999 | \$ 22,706,995,850 | N.A. | \$ 407,000,000 | 3,275 | \$374,103,000 |
| 2000 | \$ 24,076,956,450 | N.A. | \$ 526,000,000 | 3,636 | \$423,024,000 |
| 2001 | \$ 25,759,648,950 | N.A. | \$ 421,000,000 | 4,435 | \$506,292,000 |
| 2002 | \$ 28,547,467,250 | N.A. | \$ 468,000,000 | 4,335 | \$594,029,000 |
| 2003 | \$ 31,108,023,850 | N.A. | \$ 522,000,000 | 6,117 | \$838,524,000 |
| 2004 | \$ 33,724,492,950 | N.A. | \$ 535,000,000 | 5,306 | \$841,515,000 |

(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, 2004

| Taxpayer | Type of Business | 2004 Equalized Assessed Value | Percentage Of Total Equalized Assessed Valuation |
|-------------------------------|-------------------------------------|-------------------------------|--|
| American Family Insurance | Insurance | \$203,947,300 | 0.60% |
| Madison Joint Venture | Shopping Center | \$149,535,500 | 0.44% |
| University Research Park | Research & Technology Park | \$54,771,800 | 0.16% |
| University Research Park, Inc | Research & Technology Park | \$43,732,900 | 0.13% |
| Greenway Center LLC | Retail Stores | \$46,297,600 | 0.14% |
| Covance Laboratories | Research | \$38,592,000 | 0.11% |
| Wingra Building Group | Property Management | \$38,381,800 | 0.11% |
| UW Medical Foundation | Medical School Support | \$32,023,000 | 0.09% |
| Cuna Mutual Insurance Society | Insurance | \$31,410,000 | 0.09% |
| Western Center Properties | Property Development and Management | \$36,940,800 | 0.11% |
| Totals | | <u>\$675,632,700</u> | <u>1.98%</u> |

COUNTY OF DANE

TABLE 15

SCHEDULE OF INSURANCE IN FORCE

December 31, 2004

| Type of Coverage Name of Company | Policy Number | Policy From | Period To | Details of Coverage | Policy Limits | Annual Premium | Deductible |
|---|---------------|-------------|-----------|---|---------------|----------------|------------|
| PROPERTY INSURANCE | | | | | | | |
| Wisconsin Local Government Property Fund | V120012 1 | 10/1/2004 | 10/1/2005 | Fire and Extended Coverage - County Buildings and Contents | \$324,404,622 | \$201,131 | \$500 |
| Wisconsin Local Government Property Fund | V120012 1 | 10/1/2004 | 10/1/2005 | Collision / Auto | \$3,395,584 | \$23,432 | \$1,000 |
| Wisconsin Local Government Property Fund | V120012 1 | 10/1/2004 | 10/1/2005 | Comprehensive Auto | \$16,684,232 | \$35,355 | \$500 |
| Wisconsin Local Government Property Fund | V120012 1 | 10/1/2004 | 10/1/2005 | Livestock (Zoo) | \$351,590 | \$1,160 | \$100 |
| Wisconsin Local Government Property Fund | V120012 1 | 10/1/2004 | 10/1/2005 | Contractor's Equipment | \$19,141,272 | \$45,748 | \$500 |
| Wisconsin Local Government Property Fund | V120012 1 | 10/1/2004 | 10/1/2005 | Business Interruption | \$4,211,400 | \$1,642 | \$500 |
| Wisconsin Local Government Property Fund | V120012 1 | 10/1/2004 | 10/1/2005 | Builder's Risk | \$80,800,000 | \$27,472 | \$0 |
| Chubb | 7834-27-14 | 1/1/2004 | 1/1/2005 | Boiler and Machinery - County Buildings | \$30,000,000 | \$16,763 | \$1,000 |
| Chubb | 7834-27-14 | 1/1/2004 | 1/1/2005 | Business Income | \$4,317,000 | \$0 | \$0 |
| Zurich | USC3563768 | 1/1/2004 | 1/1/2005 | Tank Pollution | \$5,000,000 | \$10,850 | \$5,000 |

(Continued on next page)

COUNTY OF DANE

TABLE 15

SCHEDULE OF INSURANCE IN FORCE

December 31, 2004

| Type of Coverage Name of Company | Policy Number | Policy From | Period To | Details of Coverage | Policy Limits | Annual Premium | Deductible |
|--|---------------|-------------|-----------|--|--|----------------|--|
| <u>SURETY, FIDELITY</u> | | | | | | | |
| Capitol Indemnity | CC00742924 | 1/1/2004 | 1/1/2005 | Employee Dishonesty Theft - Inside Premises Theft - Outside Premises Robbery of Custodian | \$550,000 \$550,000 \$550,000 \$50,000 | \$12,033 | \$5,000 \$5,000 \$5,000 \$5,000 |
| Capitol Indemnity | Bond # 744096 | 1/1/2004 | 1/1/2005 | 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 | 1/1/2004 | 1/1/2005 | ALLIANT ENERGY CRIME RENEWAL | \$25,000 | \$2,098 | \$500 |
| Total premium for Capitol Indemnity Coverage | | | | | | \$15,283 | |
| <u>LIABILITY INSURANCE</u> | | | | | | | |
| AAU-Federal Insurance Co. | ALI157040 | 1/1/2004 | 1/1/2005 | General Liability Ea Occurrence Product-Comp Ops Personal Advertising Fire Damage Medical Expense Hangarkeeper Ea Loss Hangarkeeper Ea Aircraft Total Premium for all AAU coverages | \$150,000,000 \$150,000,000 \$25,000,000 \$100,000 \$2,500 \$150,000,000 \$150,000,000 | \$110,500 | \$10,000 \$10,000 \$10,000 \$10,000 \$10,000 \$10,000 |
| Utica Mutual Insurance | CPP2930820 | 1/1/2004 | 1/1/2005 | EMS Automobile - Liability Includes Auto Physical Damage | \$1,000,000 Replacement | \$42,514 | \$1,000 \$1,000 |

(Continued on next page)

COUNTY OF DANE

SCHEDULE OF INSURANCE IN FORCE

December 31, 2004

| Type of Coverage Name of Company | Policy Number | Policy From | Period To | Details of Coverage | Policy Limits | Annual Premium | Deductible |
|---|---------------|-------------|-----------|---|---|---------------------|-------------------|
| Ins. Co./North America | CPP2930820 | 1/1/2004 | 1/1/2005 | EMS General Liability EMS - Errors & Omissions | \$2,000,000 \$1,000,000 | \$21,285 | N/A N/A |
| Ins. Co./North America | CPP2930820 | 1/1/2004 | 1/1/2005 | EMS - Excess | \$4,000,000 | \$32,892 | \$10,000 |
| Society | WP90010008 | 1/1/2004 | 1/1/2005 | EMS - Workers' Compensation | Statutory | \$56,705 | N/A |
| WI Health Care Liability Plan | NM06600056 | 1/1/2004 | 1/1/2005 | Hospital Professional Liability Hospital General Liability Bond | \$1,000,000 \$1,000,000 \$100,000 | \$25,134 \$1,500 | N/A N/A N/A |
| Wisconsin Municipal Mutual Insurance Company | WI98CS11A | 1/1/2004 | 1/1/2005 | General Liability | \$5,000,000 | \$304,877 | \$250,000 (A) |
| Wisconsin Municipal Mutual Insurance Company | WI98EO11A | 1/1/2004 | 1/1/2005 | Errors & Omissions | \$5,000,000 | \$43,355 | \$250,000 (A) |
| Wisconsin Municipal Mutual Insurance Company | SP-3375-WI | 1/1/2004 | 1/1/2005 | Workers Comp Excess | \$5,000,000 | \$81,567 | \$250,000 (A) |
| General Casualty | GA2259410 | 4/1/2004 | 4/1/2005 | AERO Model Flyers | \$500,000 | \$191 | |
| General Casualty | GA2572653 | 6/1/2004 | 6/1/2005 | Take a Stake in the Lake | \$500,000 | \$525 | |

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

(Continued from previous page)

COUNTY OF DANE

SALARY RANGES OF PRINCIPAL OFFICIALS

AS OF DECEMBER 31, 2004

ELECTED OFFICIALS

| <u>Name</u> | <u>Title</u> | <u>Annual Salary</u> |
|--|--------------------------|----------------------|
| Gary H. Hamblin | Sheriff | \$104,045 |
| Kathleen M. Falk | County Executive | \$96,883 |
| 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 |
| Gerald Mandli | Highway & Transportation Commissioner | \$104,421 |
| Lynn Green | Director, Department of Human Services | \$103,398 |
| Bonnie Hammersley | Director of Administration | \$98,387 |
| Darren Marsh | Director of Parks Operations | \$58,798 |
| Todd Violante | Planning & Development Director | \$78,070 |
| Richard Ellingson | Director of Public Safety Communications | \$78,571 |
| Michael R. Jackson | Veterans Service Officer | \$65,480 |

(Continued on next page)

COUNTY OF DANE
SALARY RANGES OF PRINCIPAL OFFICIALS

AS OF DECEMBER 31, 2004

NON-ELECTED 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 |
| Jerry Mandli | Director of Public Works | \$73,205 | \$95,505 |
| Ralph J. Guerin | Family Court Commissioner | \$73,205 | \$95,505 |
| James P. Moeser | Juvenile Court Administrator | \$68,445 | \$89,304 |
| Kevin F. Connors | County Conservationist | \$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 | \$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 50% of the salary range \$68,445 - \$89,304 from Dane County and additional salary from the state and federal governments

(Continued from previous page)

COUNTY OF DANE

MISCELLANEOUS STATISTICS

December 31, 2004

| | | |
|------------------------|---|----------|
| Date of Incorporation: | March 11, 1839 | |
| Form of Government: | Elected - Executive Board of Supervisors | |
| Area: | Square Miles | 1,238 |
| Miles of Roads: | Interstate Highway System | 53.35 |
| | U.S. Highway System | 157.38 |
| | State Highway System | 168.31 |
| | Connecting Highway System | 19.43 |
| | County Highway System | 541.45 |
| | Local Roads & Streets | 2,957.57 |
| Recreation: | Number of Acres Owned | 8,525.00 |
| Greenspace: | Number of Acres for which Development Rights are Owned | 559 |
| Employees: | Full-time Equivalent | 2,077.62 |