

Ozaukee County, Wisconsin



Comprehensive Annual Financial Report (CAFR)

For Year Ended
DECEMBER 31, 2012

OZAUKEE COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Year Ended
DECEMBER 31, 2012

FINANCE DEPARTMENT

Andrew Lamb
Director of Finance

INTRODUCTORY SECTION

OZAUKEE COUNTY, WISCONSIN
 Comprehensive Annual Financial Report
 December 31, 2012

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DEPARTMENT OF ADMINISTRATION
FINANCE DIVISION

Ozaukee County

THOMAS W MEAUX • County Administrator

June 24, 2013

To: The honorable members of the Ozaukee County
Board of Supervisors and the Citizens of
Ozaukee County, Wisconsin

A) COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

CAFR Overview

The comprehensive Annual Financial Report (CAFR) of Ozaukee County, Wisconsin (County) for the year ended December 31, 2012 is hereby submitted for your information. Responsibility for both the accuracy of the data and the completeness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data accurately presents the financial position and results of operations of the various funds and component units of Ozaukee County, Wisconsin in all material respects and completeness. All disclosures necessary to enable the reader to gain an understanding of Ozaukee County, Wisconsin activities have been included.

The CAFR is presented in three sections:

The unaudited **Introductory Section** includes this letter of transmittal, the County's organizational chart, and a list of principal elected and appointed officials. It is designed to give some basic background information to the reader.

The **Financial Section** includes the independent auditors' report on the basic financial statements, required supplementary information, and the combining and individual fund statements and schedules. The unaudited **Statistical Section** includes selected financial and demographic information generally presented on a multi-year basis.

B) Governmental Structure and Profile

Ozaukee County is located in southeastern Wisconsin on the western Lake Michigan shoreline. It encompasses 232 square miles and consists of three cities, seven villages, and six towns with an estimated 2009 population of 85,454. Ozaukee County was formed by legislative act in 1853.

The County is governed by a non-partisan, twenty-six members, Board of Supervisors (the Board) elected by districts to two-year terms. This Board was reduced in 2011 from thirty-one members. A Chairperson, elected from its members, is responsible for conducting the proceedings of the Board at its meetings and appointing standing committee chairpersons. The Board determines County policy and exercises legislative control under authority vested by state statutes. There are six oversight committees made up of

five Board members each that exercise oversight of County departments. The Board meets twice per month, its committees meet at least monthly. The Board adopts the annual County budget at its first meeting in November of each year. The County has a County Administrator appointed by the Board. The County Administrator exercises administrative control over all County operations not specially vested in elected officials.

The County operates a correctional facility, an elderly nursing care complex with a three hundred bed capacity providing independent living through full nursing care, an asphalt hot-mix plant, nine parks featuring camping and water access, 30 miles of interurban bike trail, a Lake Michigan water rescue boat, and two golf courses. The services it provides include law enforcement and emergency response; human services; aging services; public health services; educational, cultural and recreational activities; planning and zoning services; construction and maintenance of highways; public transit; support for the state judicial system; and general governmental activities.

C) Factors Affecting the Local Economy

The County is located north of Milwaukee, WI. In 2012 the County was ranked the second healthiest county in Wisconsin by the University of Wisconsin's Population Health Institute, #2 in *Forbes* magazine for "America's Best Places to Raise a Family", and #19 in *Money Magazine* for "Best Places For a Long Life". It has the highest per capita income in Wisconsin owing to the large percentage population of college graduates, skilled trades, entrepreneurs, and professionals. According to the 2007-2011 US Census Bureau's American Community Survey the median family income is \$92,904 compared to the national average of \$64,293 in 2011 inflation adjusted dollars, the median home value is \$256,800 compared to the national average of \$186,200, and average annual unemployment rate is 5.7% compared to the averages for Wisconsin of 7.9% and national at 8.7%. The population is mobile with 46% commuting out to other counties for work and 43% of local workforce commuting in. The area is a regional destination for tourism owing to its access to Lake Michigan and rural attractions. Schools are well funded with most students continuing in some post secondary education. The County's property tax mill rate as well as the taxes paid on the average home continues to be among the lowest in the state. Consumer spending in 2012 continues to rebound posting above a 5% increase over last year's 2% increase in County sales tax revenue. Private investment in new business is starting to recover. Service and retail sector employment increases continue to outpace manufacturing increases as a percentage of total employment. The prolonged national housing weakness has been evident in the County but also is the early signs of recovery. Tax delinquencies are below last year in both dollar values at 9.4% and number of parcels at 8.2%. Delinquencies are now below levels from 2008. Housing starts in 2012 were slightly above the five-year average and selling prices on existing stock fell an average of 4% from last year.

D) County Policies affecting the current financial position

Ozaukee County made some strategic changes in its 2012 budget to react to the global recession that began in late 2008. The County Board mandated no increase in property tax levy as a means to help taxpayers. The County Treasurer continues to work with delinquent taxpayers on a repayment schedule to forestall foreclosures. Ozaukee County boasts only three foreclosures in the past twenty years and all were for unusual circumstances. County administration chose to take a conservative approach to projected revenues by maintaining last year's low sales tax and investment income despite recent trends suggesting an economic recovery. We believed that preliminary signals of an economic recovery are still uncertain. State reimbursement for state mandated programs and revenue sharing held steady after last

year's estimated one million dollar decline as the state grapples with its own austerity budget. Most other revenues were estimated to remain stable either due to federal commitments to reimbursement or revenue streams that were less affected by the economy such as prisoner boarding.

In early 2012 we recognized that our jail adult boarding revenues were going to be severely less than budget. Our initial estimate predicted a \$1.5 million loss. This is about where we ended. The County Board addressed the issue in March 2012 with the following directions. The Sheriff was to find \$300,000 of savings and use the \$330,000 in contingency reserves. Other departments were not to be penalized but made aware and look to control spending. Other revenues, such as sales tax, were projected to be above budget and used to offset the loss. Any remaining loss would be applied to General Fund reserves and addressed in the 2013 budget. Our optimism for the beginning of a real estate recovery was rewarded and our fees for title transfer came in \$138,122 more than budget. We also benefited from rising consumer confidence and our sales tax revenue ended \$483,000 more than budget. There were several grants awarded during the year and the County was able to apply some labor expense to those grants. Constant monitoring and emphasis ensured that budgeted expenditures were adhered to if not less.

Our enterprise funds came through for us this year. The past several years have experienced losses. This year they posted almost a \$400,000 combined gain. Our new Assisted Living addition to the senior nursing complex opened in 2010 had a \$265,000 profit when its breakeven target was in 2014. This allowed a \$26,000 gain for the entire senior nursing campus. Our Golf Courses had a gain of \$377,600. This was the fourth straight year of profits after several years of losses. Our Highway Department experienced a loss of less than \$10,000 by doing work for federal grants. Due to the tight budgets the County has had to scale back on road repairs causing this department three prior years of substantial losses.

Three bargaining units decertified in 2012 through a voting process. Only one bargaining unit remains, the Sheriff's LAW unit. There were no wage increases in the 2012 budget. Vacant positions were left open longer, required greater advocacy to refill, or went unfilled. We enhanced our wellness program and increased member deductibles to reduce a nine percent increase to our health insurance to five percent.

Our high water mark for fund balances was 2007. Those reserves were subsequently drawn down during this extended recession. The County is still in excess of its self proscribed minimum for General Fund Unassigned balance of 20% of operating expenditures at 26%. Good news is that the Capital Reserve Fund is almost back to its \$1 million goal after three years of raiding to lower the tax levy. The County is emerging with a slightly leaner balance sheet but stabilizing. For a more detailed examination of fund balance and results of operations consult the Management Discussion and Analysis section in the Financial Section.

E) Financial Information

Wisconsin State Statute and Administrative Rule Tax 19 require the County to submit annual audited financial statements by July 31 of each year. Debt issuance covenants also require the County to prepare financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Major federal and state programs impose additional audit requirements.

Financial planning and control is maintained through the annual budget process. This year the County's tax levy rate was again among the lowest in the state at \$1.84 per \$1,000 assessed value for 2013. An

additional 28 cents is also levied as a library assessment to County areas not served by a local library. All departments and agencies are required to submit a requested budget to the County Administrator in August. The County Administrator's budget is presented for review to the Executive Committee in late September. A legally required public hearing is held in early November and the County Board formally adopts the budget at its next meeting. The appropriated budget is adopted by cost category within departments. Budget to actual comparisons are provided in this report for each government fund where an appropriated annual budget has been adopted. Budget amendments during the year require approval by the County Board for transfers between departments (simple majority) or from fund reserves (2/3 majority). Transfers within a department may not require Board approval depending on the amount. The County has designed and implemented a comprehensive framework of internal controls to protect the assets from loss, theft, or misuse and to compile sufficient, reliable data for the presentation of financial statements. Since internal controls are designed not to outweigh the benefits, the framework has been designed to provide reasonable but not absolute assurance.

Cash temporarily idle during the year is invested with the objectives of safeguarding assets, maintaining liquidity for cash flow requirements, and return on investment. All investments must be insured and/or collateralized. Investments are generally within money market accounts, certificates of deposit, repurchase agreements, the State of Wisconsin Investment Pool, and US government agency obligations. The average return on investments was about .5% for 2012.

The Board and Administrative Committee monitor all borrowing plans of the County. All new indebtedness requires a three-fourths majority of members elect of the Board. Wisconsin state statute limits general obligation borrowing to an amount equivalent to 5% of the equalized valuation of taxable property. At December 31, 2012, the County had almost 95% of the limit available. Equalized value for all property within the County was \$10.192 billion. The statutory debt limit was over \$509 million and total County debt was \$20,085,000. Of the total debt, \$9.6 million was the responsibility of the enterprise funds.

The County is authorized to self-insure its workers compensation program. That average cost for the past three years has been about \$246,500 annually for claims and administrative fees. All other insurance is covered by commercial insurance. The County participates in the Wisconsin County Mutual Insurance for the provision of general liability, errors and omissions, police professional and automobile coverage. The health insurance coverage is through the Wisconsin Counties Association. Management believes this distribution of risk will be adequate to protect the County and meet claims as they come due. All insurance is funded and accounted for in the department cost centers.

The County maintains a five-year Capital Improvement Plan to identify and fund capital projects. A non-lapsing Capital Reserve Fund with a proposed balance of \$1 million was established to supplement tax levy for desired capital projects. The 2012 budget designated 90% to address deferred County infrastructure. Additions to the fund should restore the balance to about \$900,000 in 2013.

Ozaukee County maintains fund balances in all its governmental funds. The General Fund is the largest with several Special Revenue Funds having smaller balances. The County's Policies and Procedures manual requires that the General Fund maintain an Undesignated Fund Balance of at least 20% of the budgeted operating General Fund expenditures and a minimum combined undesignated fund balance of the General Fund, and select Special Revenue Funds (Human Services, Public Health, Aging, and Transit)

equal to 12% of their combined budgeted operating expenditures. The exact percentage is determined annually by the Administrative Committee to provide stability to the County as a whole. Unassigned funds (available for use) and assigned funds (management's intended use) are accounted for separately from committed (self-imposed legal restriction) and restricted funds (imposed by an outside party).

F) Other Information

The accounting firm of Schenck SC was engaged to conduct an audit of the basic financial statements and to issue a report on internal controls. The goal of the independent audit was to provide reasonable assurance that the financial statements of Ozaukee County are free of material misrepresentation. 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 any significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concludes, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that Ozaukee County's financial statements for the fiscal year ended December 31, 2012 are fairly presented in conformity with GAAP and GASB. The independent auditors' report is presented as the first component of the financial section of the CAFR.

The County is required to undergo a federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require not only a report on the fair presentation of the financial statements but also on the internal controls and compliance with the legal requirements pertaining to internal controls and the administration of federal and state awards. The single audit report is available through the Department of Administration – Finance division or its website.

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

Ozaukee County has received the Certificate of Achievement for Excellence in Financial Reporting for the past five consecutive years and the Certificate of Recognition for Budget Preparation for the last three consecutive years.

Acknowledgements

The preparation of this report would not have been possible without the dedicated service of the entire staff of the Department of Administration – Finance Division, various departments, and especially the County Administrator and Board of Supervisors for their support and commitment to maintaining the highest standards of professionalism in the management of Ozaukee County.

Respectfully submitted,



Andrew J Lamb, CPA, CIA
Finance Director, Ozaukee County

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ozaukee County
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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.



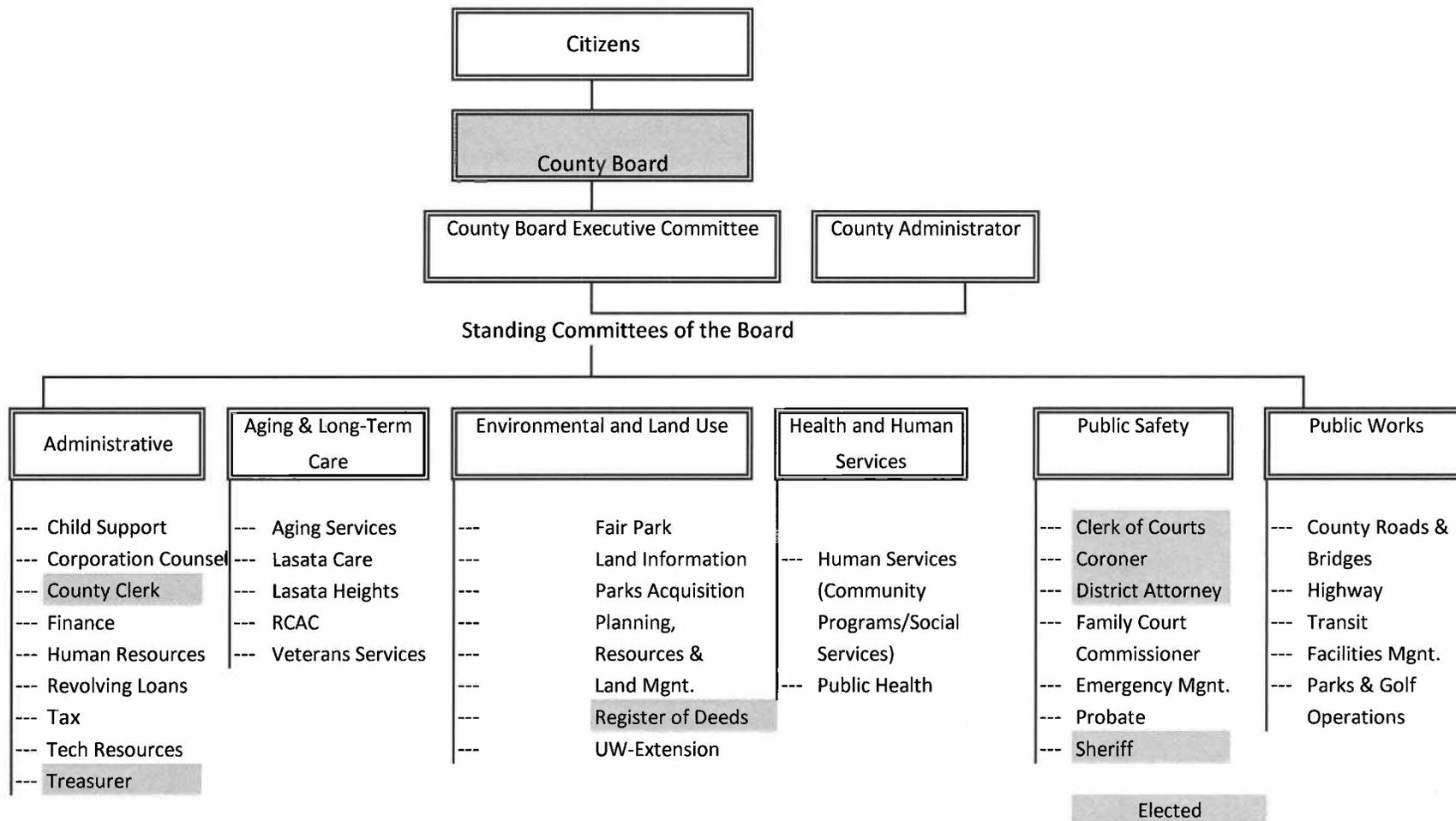
Christopher P. Morrill

President

Jeffrey R. Egan

Executive Director

OZAUKEE COUNTY
ORGANIZATIONAL CHART





OZAUKEE COUNTY, WISCONSIN

COUNTY BOARD OF SUPERVISORS & STANDING COMMITTEES OF THE COUNTY BOARD

Chairperson Robert A. Brooks
 Vice-Chairperson Mark A. Cronce
 Second Vice-Chairperson Kathlyn T. Geracie

County Administrator Thomas W. Meaux

Administrative Committee

Mark A. Cronce, Chairperson*
 Daniel P. Becker, Vice-Chairperson
 Andrew Petzold
 Lee Schlenvogt
 Gustav Wirth. Jr

Health & Human Services Committee

Cindy G. Bock, Chairperson*
 Karl V. Hertz, Vice-Chairperson
 Kathlyn M. Callen
 Raymond Meyer
 Robert T. Walerstein

Aging & Long Term Care Committee

Kathy Geracie, Chairperson*
 Glenn Stumpf, Vice-Chairperson
 Jacob Curtis
 Thomas H. Richart
 Jennifer Rothstein

Public Safety Committee

Richard C. Nelson, Chairperson*
 Daniel R. Buntrock, Vice-Chairperson
 Nancy Szatkowski
 Gerald E. Walker
 Thomas E. Winker

Environmental & Land Use Committee

William Niehaus, Chairperson*
 Donald Dohrwardt, Vice-Chairperson
 Joseph Dean
 Timothy F. Kaul
 John Slater

Public Works Committee

James H. Uselding, Chairperson*
 John C. Grosklaus, Vice-Chairperson
 Alan P. Kletti
 Rose Hass Leider
 Patrick Marchese

Executive Committee

Robert A. Brooks, Chairperson
 Mark A. Cronce, Vice-Chairperson
 Kathlyn Geracie
 William Niehaus
 Cindy G. Bock
 Richard C. Nelson
 James H. Uselding

** Chairperson of each standing committee also serves on the Executive Committee*

Ozaukee County, Wisconsin
List of Principal Officials
December 31, 2012

County Administrator: Thomas W. Meaux

Department Heads

ADRC
Michelle Pike

CLERK OF COURTS (elected)
Mary Lou Mueller

CORONER (elected)
John Holicek

CORPORATION COUNSEL
Rhonda Gorden

COUNTY CLERK (elected)
Julianne Winkelhorst

DISTRICT ATTORNEY (elected)
Adam Gerol

EMERGENCY MANAGEMENT
Mark Owen

FINANCE
Andrew Lamb

HIGHWAY , TRANSIT, AND FACILITIES
Robert Dreblow

HUMAN RESOURCES
Jason Dzwinel

HUMAN SERVICES
Bob Haupt

LASATA CARE AND FACILITIES
Ralph Luedtke

PARK COMMISSIONER
Andrew Struck

PLANNING, RESOURCES, AND
LAND MANAGEMENT
Andrew Holschbach

PUBLIC HEALTH
Kirsten Gruebling

REGISTER OF DEEDS (elected)
Ronald Voigt

SHERIFF (elected)
Maury Straub

INFORMATION TECHNOLOGIES
Jason Dzwinel

TREASURER (elected)
Karen Makoutz

UNIVERSITY EXTENSION
Daniel O'Neil

VETERANS' SERVICES
Kevin Johnson

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the County Board
Ozaukee County, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Ozaukee County, Wisconsin ("the County") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Ozaukee County Economic Development Corporation, which represents all of the assets and revenues of the County's discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Ozaukee County Economic Development Corporation is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, and the human services and county roads and bridges special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note A.6.h, the County has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2012. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 30 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The financial information listed in the table of contents as supplementary information and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the County's internal control over financial reporting and compliance.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
June 24, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS



FINANCE DEPARTMENT

P.O. BOX 994
Port Washington, Wisconsin 53074-0994
Phone: (262) 284-8240 Fax: (262) 284-8287
E-mail: finance@co.ozaukee.wi.us

Management's Discussion and Analysis December 31, 2012

The management of Ozaukee County, Wisconsin (the County) offers readers of the County's basic financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information provided in this report.

FINANCIAL HIGHLIGHTS COUNTY WIDE

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at December 31, 2012, by \$71,103,343 (net position). Unrestricted net position used to meet ongoing obligations to citizens and creditors represented \$11,020,106 of the total.
- During 2012 results of governmental activities increased net position by \$660,383 and business-type activities increased net position by \$393,585 per GASB 34 reporting (pgs 32-33).
- As of December 31, 2012, the fund balance for the governmental funds totaled \$14,686,094; and proprietary fund net position totaled \$14,937,520 excluding internal service fund net position of \$25,000.
- The unassigned fund balance for the general fund was \$5,850,462 as of December 31, 2012. This represents 25.7% of the total general fund expenditures.
- The County's total general obligation debt decreased by \$1,135,000 to \$20,085,000 in 2012.

OVERVIEW AND USE OF THE BASIC 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 comprised of three components: 1) **government-wide** financial statements, 2) **fund** financial statements, 3) **notes** to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements (pages 31-33) are designed to provide readers with a broad overview of the County's finances, using the accrual basis of accounting, in a "bottom line" format similar to private sector reporting.

The *statement of net position* presents information on all of the county's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as *net position*. Net position is presented in five categories. The categories listed below are presented in order of liquidity:

- *Nonspendable* – Assets that never can be spent such as inventory.
- *Restricted* – Assets legally restricted by outside parties, such as bondholders, grantors, or enabling legislation.
- *Committed* – Self-imposed local legislation limiting the use of reserves.
- *Assigned* – Self-imposed rules governing intent but not legislated.
- *Unassigned* – Assets that are in a spendable form that are not restricted, committed, or assigned.

Increasing or decreasing trends in net position may represent an indicator of the County's improving or deteriorating financial position.

The *statement of activities* presents information showing how the County's net position changed during the reported year. Both the gross and net cost of various activities (including governmental and business-type) and their funding sources are summarized. All changes in net position are matched to the event in the fiscal period in which it occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some events that will result in future cash flows. (e.g., uncollected taxes and earned but unused employee benefits).

Both of these government-wide financial statements distinguish functions of Ozaukee County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or a material portion of their costs through user fees and charges (*business type activities*). The governmental activities of the County include general government, public safety, transportation, health and human services, conservation and development, culture and recreation. The business-type activities include golf courses, a continuum of care senior campus, and a highway construction/maintenance operation.

FUND FINANCIAL STATEMENTS:

A *fund* is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. The County, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This traditional presentation focuses on the sources and uses of liquid resources and represents the basis for developing the County's financial plan (the budget). All of the County's funds can be divided into two categories: governmental and proprietary.

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 fiscal year end.

Such information may be meaningful in evaluating the County's near-term financing requirements.

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

The County maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund and the Human Services and County Roads and Bridges special revenue funds, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor government funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund, special revenue funds, debt service fund, and capital projects fund. A budgetary comparison statement has been provided for the general fund and for each individual major special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 34-42 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 golf courses, highway, and continuum of care nursing complex. This consists of Lasata Care Center, Lasata Heights Apartments, and the Lasata Residential Care Apartment Complex (RCAC). Internal service funds are used to accumulate and allocate funds internally among the County's various functions. The County uses an internal service fund to account for its Information Technology, computer and network maintenance function. Because this service predominantly benefits government rather than business type functions, it is included within the 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 nursing home, golf courses and highway, which are considered to be major funds. Data from the other enterprise funds are combined in a single, aggregated presentation in the proprietary fund financial statement.

The basic proprietary fund financial statements can be found on pages 43-46 of this report.

Fiduciary funds: Fiduciary and Agency funds are used to account for resources held for the benefit of parties outside the government. Fiduciary and agency 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 and agency funds is much like that used for proprietary funds.

The basic agency fund financial statement can be found on page 47 of this report.

NOTES TO THE BASIC 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 basic financial statements can be found on pages 48-72 of this report.

Other Information: The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 73-104 of this report.

The 2011 biennial state budget enacted in Act 32 strict limits for local governmental units to increases to the property tax levy for budget years 2012 and 2013. The limits allowed for only an annual increase equal to the taxes generated from net new construction. Exceptions to the Act included passage of a referendum to exceed these imposed limits or to fund services transferred from (positive) or to (negative) another governmental unit. Although the focus of the control is the operating levy, the debt levy is indirectly controlled. Each local government is also prohibited from issuing new debt levy unless a condition is met. One of the conditions calls for a 75% majority of elected officials. Since Ozaukee County's existing ordinances requires this, any new debt levy would be exempt. Ozaukee County's net new construction limit was .64% for the 2013 budget. Factoring in new debt resulted in a 1.75% increase. The appropriated budget called for a 1.01% increase. The resulting mill rate increased to \$1.84/\$1,000 from \$1.77/\$1,000 equalized value. It still remains at or among the lowest of all Wisconsin counties.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The discussion and analysis requires focus on the current-year results in comparison with the prior year and discussion on any positive or negative variance.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Ozaukee County, assets and deferred outflows exceed liabilities and deferred inflows by \$71,103,343 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (79.4%) reflects its net investment in capital assets (e.g. land, buildings, improvements, infrastructure, machinery, etc.) at historic cost, less any outstanding related debt used to acquire those assets. The County uses these capital assets to provide services to the 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.

Ozaukee County, WI						
Condensed Statements of Net Position						
December 31, 2012 and 2011						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 44,411,339	\$ 47,984,045	\$ 1,666,171	\$ 129,147	\$ 46,077,510	\$ 48,113,192
Capital assets	51,659,859	47,851,956	24,908,101	25,658,353	76,567,960	73,510,309
Total Assets	96,071,198	95,836,001	26,574,272	25,787,500	122,645,470	121,623,501
Deferred Outflows of Resources	174,619	-	-	-	174,619	-
Current Liabilities	7,498,996	6,278,521	601,906	4,244,380	8,100,902	10,522,901
Long-term obligations	13,413,033	14,549,159	10,788,891	10,482,525	24,201,924	25,031,684
Total Liabilities	20,912,029	20,827,680	11,390,797	14,726,905	32,302,826	35,554,585
Deferred Inflows of Resources	19,167,965	19,524,714	245,955	327,608	19,413,920	19,852,322
Net Position:						
Net investment in capital assets	41,189,859	41,231,956	15,293,101	15,658,353	56,482,960	56,890,309
Restricted	3,600,277	3,529,029	-	-	3,600,277	3,529,029
Unrestricted	11,375,687	10,744,455	(355,581)	(1,079,320)	11,020,106	9,665,135
Total Net Position	\$ 56,165,823	\$ 55,505,440	\$ 14,937,520	\$ 14,579,033	\$ 71,103,343	\$ 70,084,473

The County's governmental activities unrestricted net position of \$11,375,687 may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position; both for the County as a whole, as well as for its separate governmental activities.

Ozaukee County, WI						
Statement of Activities and Change in Net Position						
December 31, 2012 and 2011						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue:						
Program Revenue:						
Charges for services	\$ 7,576,792	\$ 8,045,159	\$ 27,879,882	\$ 27,695,199	\$ 35,456,674	\$ 35,740,358
Operating grants and contributions	12,787,190	11,812,035	1,597,468	1,491,128	14,384,658	13,303,163
Capital grants and contributions	1,307,499	3,737,100	-	-	1,307,499	3,737,100
General Revenue:						
Property tax	19,154,359	18,531,380	-	-	19,154,359	18,531,380
Sales and other taxes	7,202,740	6,939,281	-	-	7,202,740	6,939,281
Federal/State grants not restricted	155,000	1,750,335	-	-	155,000	1,750,335
Investment income	249,028	490,552	35	7,202	249,063	497,754
Miscellaneous	1,269,958	254,096	-	-	1,269,958	254,096
Gain on capital assets	-	29,895	-	-	-	29,895
Total Revenue	49,702,566	51,589,833	29,477,385	29,193,529	79,179,951	80,783,362
Expenses:						
General government	9,115,344	9,591,995	-	-	9,115,344	9,591,995
Public safety	12,549,843	10,150,542	-	-	12,549,843	10,150,542
Health and human services	14,300,564	14,619,815	-	-	14,300,564	14,619,815
Transportation	7,461,149	6,167,878	-	-	7,461,149	6,167,878
Culture and recreation	1,814,331	1,637,261	-	-	1,814,331	1,637,261
Conservation and development	3,244,606	4,247,756	-	-	3,244,606	4,247,756
Interest on debt	556,346	261,855	-	-	556,346	261,855
Nursing Home	-	-	15,597,171	15,825,034	15,597,171	15,825,034
Highway	-	-	9,042,591	9,342,701	9,042,591	9,342,701
Independent Living Facility	-	-	566,453	544,172	566,453	544,172
Golf course	-	-	1,781,589	1,627,866	1,781,589	1,627,866
Lasata RCAC	-	-	2,095,996	2,082,956	2,095,996	2,082,956
Total Expense Before Transfers	49,042,183	46,677,102	29,083,800	29,422,729	78,125,983	76,099,831
Increase in Net Position	660,383	4,912,731	393,585	(229,200)	1,053,968	4,683,531
Transfers	-	300,000	-	(300,000)	-	-
Increase in Net Position	660,383	5,212,731	393,585	(529,200)	1,053,968	4,683,531
Net Position January 1	55,505,440	50,292,709	14,579,033	15,108,233	70,084,473	65,400,942
Change in accounting principle	-	-	(35,098)	-	(35,098)	-
Net Position December 31	\$ 56,165,823	\$ 55,505,440	\$ 14,937,520	\$ 14,579,033	\$ 71,103,343	\$ 70,084,473

Governmental Funds

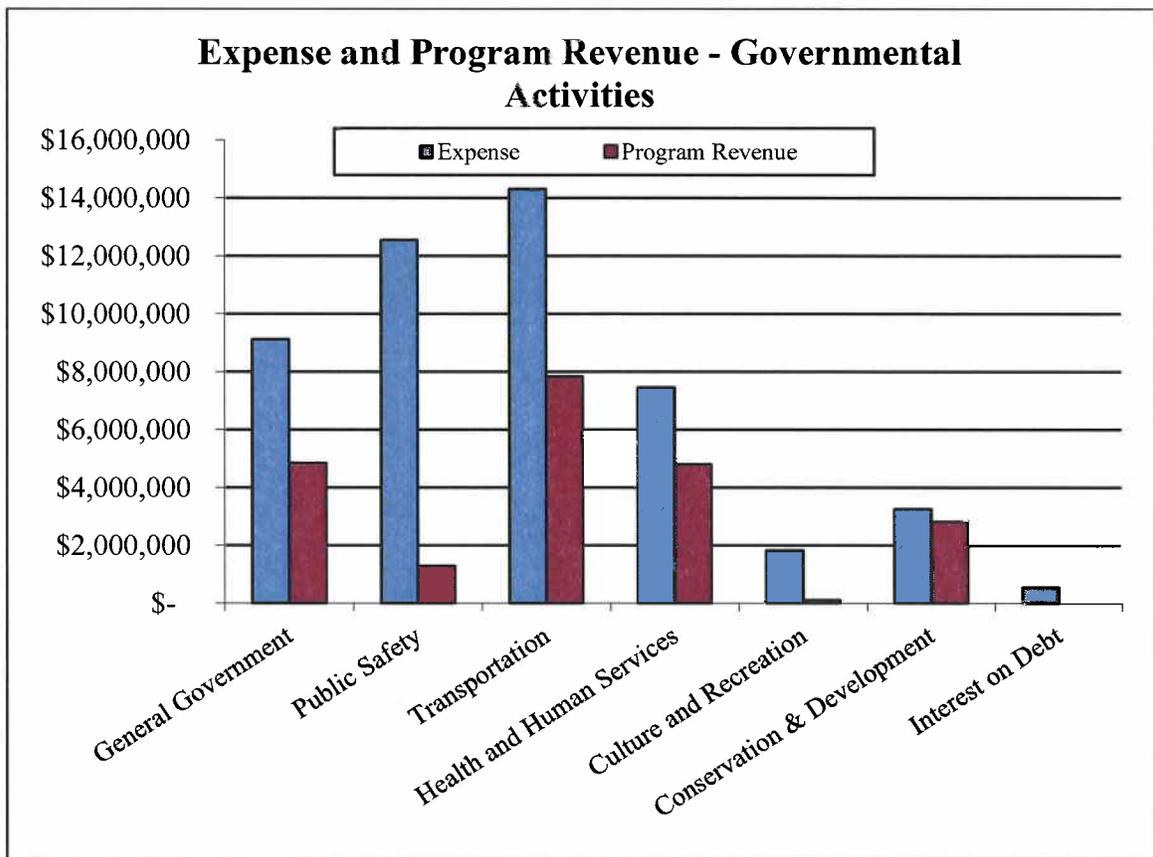
Governmental funds decreased the County's fund balances by \$4,341,233 (pg 36) during the current year. The driver of this decrease in fund balance (\$4,398,246) was the result of the timing between the acceptance of bond proceeds in 2011 for financing two building projects and completion of these projects in 2012. One building was a Transit building with matching Federal Transportation Agency funds. The other was for a joint public/private partnership with the Milwaukee Curlers Association to build a multipurpose building on our fairgrounds with curling capabilities. Both parties assumed essentially equal costs for an equal timeshare lease. For more information on this please refer to Notes to the Basic Financial Statements page 72 and Supplementary Information pages 83-85.

Details of significant changes are listed below.

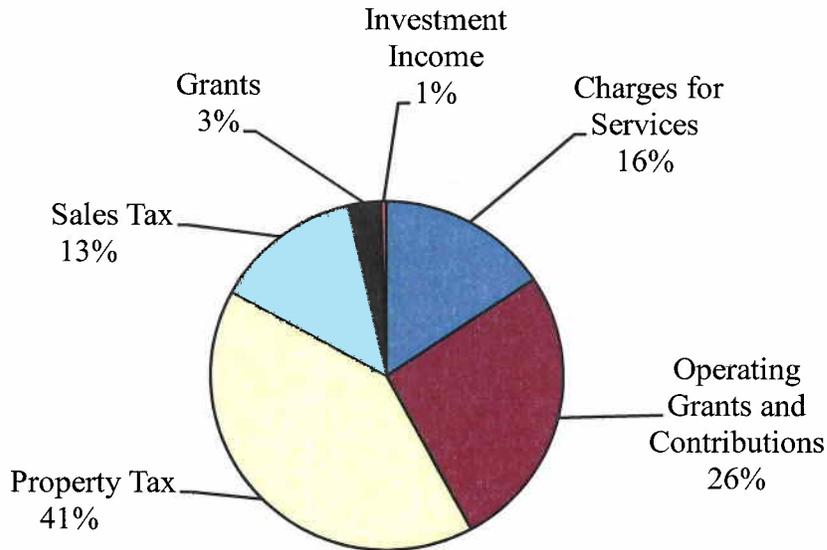
Key elements of change are as follows:

- General Fund operations provided a net negative change in fund balance of \$903,616:
 - The County's jail has long been a source of revenue, earning the County almost \$2 million annually through the almost equal boarding of State of Wisconsin and federal prisoners (primarily US Marshall Service). Early this past year both federal and state boarders unexpectedly and abruptly decreased to almost zero. The resulting loss of revenue was about \$1.5 million. The jail is designed so that a 50% decrease in boarders has only a nominal effect on staffing. The County Board took the following actions. 1. Instructed the Sheriff's Department to reduce costs by \$300,000, 2. Apply contingency funds designed for this event of \$330,000, 3. Look for savings in other areas but do not penalize other departments. 4. Offset loss with anticipated other revenues in excess of budget. 5. Use General Fund reserves to cover the remaining shortfall.
 - Register of Deeds title transfer fees were \$238,122 over budget and Sales Tax earned \$483,023 greater than budget.
- Special Revenue Fund operations provided a net positive change to fund balance of \$315,024:
 - The Human Services (HS) Department (a major fund) posted an operating deficit of \$23,721. In the past five years the state has been assuming more of the care for adults over 18 under its outsourced Family Care program. This has not only allowed our Human Services department to cut costs but also to budget more accurately. Many of the potential adult commitments with high cost are now managed by a third party. In 2012 HS received \$725,565 more in state reimbursement than budgeted but realized \$279,637 less in client fees, mainly counseling. The state revenue was the result of increased spending on our part. The loss of client fees was the result of a greater write-off to Allowance for Bad Debt using recent experience. Expenditures were \$466,641 more than budget with the majority of that in youth aids and related care and alcohol or drug dependency counseling and care.

- Our County Roads and Bridges department posted an operating surplus of \$669,326. Our Highway Department is an enterprise operation doing work for the County but also other entities. In 2012 there were opportunities to pick up more outside work. The decision was made to defer County work to go after outside clients. Funds unspent will be carried forward into the 2013 budget.
- Capital reserve added \$256,681 to future projects. Revolving Loans, an economic development initiative, received \$105,654 more back than it loaned.
- Transit had a \$138,003 negative variance due to building construction. Debt reserves of \$168,786 were budgeted to be used in excess of tax levy. Public Health had a negative variance of \$106,612 due to budgeted use of reserves and operational loss.
- Other positive or negative variances were considered immaterial for this report.
- Investments in Capital Assets was greater than depreciation by \$3,807,903,
- Debt principal of \$765,000 is not a GASB 34 expense.



Revenues by Source - Governmental Activities

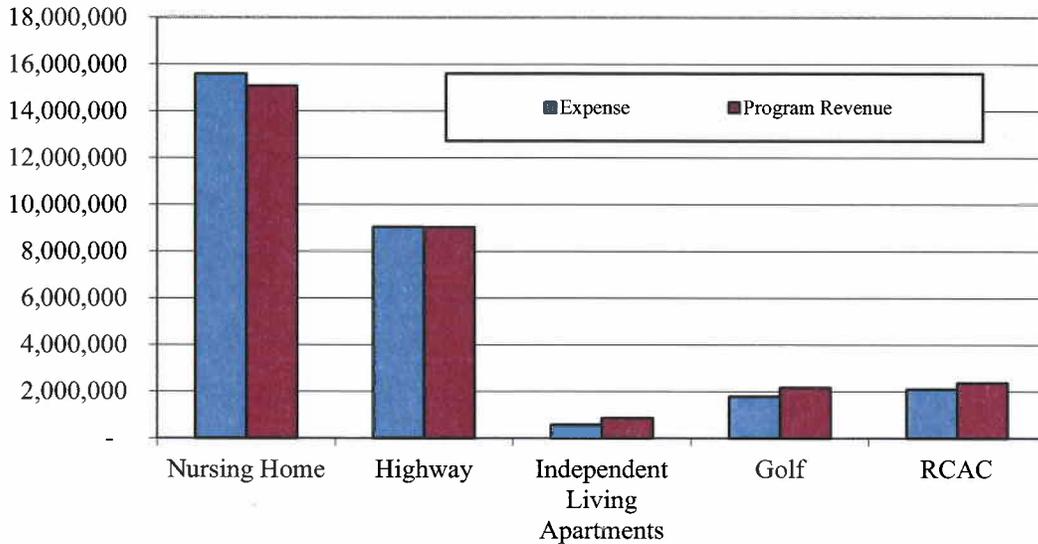


Business-type Activities

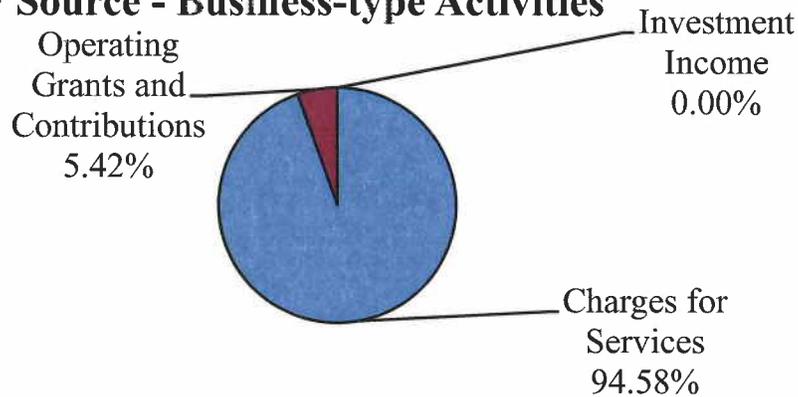
Business-type activities increased the County's net position by \$393,585. Key elements of this change are as follows:

- The Highway Department recorded a loss of \$9,968. The Highway Department's main client is the County. We are experiencing less funding for County Roads and Bridges due to the overall economy and must defer more projects. Our Highway Department downsized staff and wages in 2012. It also was able to generate revenue of about \$668,000 by doing work for a federal grant program for stream naturalization.
- The Golf Courses had a fourth straight year of profit at \$376,588 after six consecutive annual losses. This was the result of the good weather conditions increasing rounds played and a \$307,286 court settlement over a herbicide defect.
- The Lasata Campus, which offers a continuum of care for seniors from independent living through full nursing care, had a combined change in net position of \$26,965. However, the assisted living component first opened in 2010 which had an expected to breakeven during 2014 actually had its first operating profit of \$265,132 in 2012. The goal of the additional was to keep the campus off the tax levy in future years. The campus is expected to break even next year.

Expense and Program Revenue - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Ozaukee County's Funds:

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

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

As of the end of the current year, the County's governmental funds reported combined ending fund balances of \$14,686,094 a decrease of \$4,341,233. The unassigned fund

balance of \$5,762,770 is available for spending at the County's discretion. The remainder of the fund balance is categorized as follows:

- Non-spendable for delinquent property taxes (\$1,764,175) and prepaid items (\$683,166)
- Restricted in the amount of \$529,057 as a result of external restrictions or enabling legislation.
- Committed by the County Board for specific purposes in the amount of \$5,807,728
- Assigned by the Finance Committee for specific purposes in the amount of \$139,198.

The General Fund is the main operating fund of the County. At the end of the current year the assigned and unassigned fund balance of the general fund was \$5,989,660 and the total fund balance was \$8,563,388. As a measure of the funds liquidity, it may be useful to compare both assigned and unassigned fund balances and total fund balance to the total fund's expenditures. Liquid fund balance represents 26.4% of the total fund expenditures, while total fund balance represents 37.7% of that same amount.

The County's unrestricted General Fund balance decreased by \$903,616 during the current year. Key factors in this change were the loss of jail boarding revenue discussed earlier and the purchase of a piece of property contiguous to one of our golf courses for \$215,000.

The County's Policy and Procedures manual mandates a General Fund Unassigned Fund balance at a minimum of 10% of General Fund expenditures. Additionally, it requires a minimum of the combined reserves for the General, Human Services, Public Health, Aging, and Transit Funds equal to 12% of their total expenditures. We believe these minimum requirements help to enhance and maintain our bond rating. At the end of 2012, these minimum fund balances requirements were equal to 26% and 19% respectively. This percentage is down from the pre-recession highs.

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

Unrestricted net position of all the Proprietary operations at the end of the year amounted to (\$355,581). The majority of this negative balance resulted from several season's of losses at our Golf Courses and initial losses with the Lasata campus assisted living facility. Factors concerning the operational results of this fund have already been discussed in the discussion of the County's business-type activities.

Capital Reserve Fund: In 2004 the County established a Capital Reserve Fund to provide a funding source for desired capital projects. Over the years any sales tax collected in excess of budget and any new revenue sources were designated for this fund. The goal was to maintain a \$1M balance. That goal was achieved in 2007. Since that time economic conditions have stressed those goals. At the end of 2012 the balance was essentially back to goal at \$920,021. (Page 82)

General Fund Budgetary Highlights.

Differences between the original budget and the final amended budget amounted to a \$507,644 increase in revenues. This was the result of various grants for labor, equipment, and supplies. Differences between original and final budget for expenditures was an accumulation new grants, carryovers from the previous year, or internal transfers within the General Fund.

Variance to Final Budget

Differences between the final budget and actual amounted to a decrease of revenues by (\$1,281,103) (5.6%). The primary reason as mentioned earlier was lower than expected adult jail boarding revenue. Less than budget return on investments also contributed but was more than compensated by increases to sales tax, fees for services, and taxpayers becoming more current on delinquent taxes.

Capital Asset and Debt Administration

Capital Assets: The County’s investment in capital assets for its governmental and business-type activities as of the end of the current year amounts to \$76,567,960 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, vehicles, boat, and public domain infrastructure (highways and bridges).

Ozaukee County's Capital Assets (net of accumulated depreciation)						
	Governmental Activities		Business Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 12,058,438	\$ 12,058,438	\$ 292,848	\$ 263,754	\$ 12,351,286	\$ 12,322,192
Land improvements	771,380	849,182	1,369,965	1,518,447	2,141,345	2,367,629
Buildings and improvements	14,099,682	8,100,547	16,010,624	16,640,967	30,110,306	24,741,514
Machinery and equipment	4,803,176	6,037,036	7,006,752	7,189,014	11,809,928	13,226,050
Infrastructure	17,596,212	17,564,856	-	-	17,596,212	17,564,856
Work in progress	2,330,971	3,241,897	227,912	46,171	2,558,883	3,288,068
Total	\$ 51,659,859	\$ 47,851,956	\$ 24,908,101	\$ 25,658,353	\$ 76,567,960	\$ 73,510,309

Major capital asset events during 2012 included the following:

- Fairgrounds multipurpose/Curler building \$4,278,451,
- Transit Building \$2,123,045,
- Miscellaneous Machinery & Equipment at Highway \$794,155,
- Roadway network improvements/repairs \$1,048,994,
- Purchase of property at Mee-Kwon Golf Course \$230,000.

Additional information on the County's capital assets can be found in Note C.4 of the notes to the financial statements on pages 62-63 of this report.

Long-term Debt: At the end of the current year the County had total general obligation debt outstanding of \$20,085,000. All this debt is backed by the full faith and credit of the County.

The County maintains an Aaa bond rating from Moody's Investor Service for long-term debt.

State statute limits the amount of general obligation debt the County may issue to five percent (5%) of its total equalized property valuation. The current debt limit for the County is \$517,278,485, which is significantly in excess of the County's \$20,085,000 outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note C.6 on pages 65-66 of this report.

Economic Factors and Next Year's Budget Rates

The County's annual unemployment rate for April 2011 of 5.7%, rates favorably to the state and nation. The economic outlook is fairly stable when considering the macro economic situation. The County's high proportion of skilled, professional and entrepreneurial people in the general population mitigates some job loss. Even with these advantages the housing market has slowed, driving unsold inventories up and increased tax delinquencies over the average of prior years.

- The increase in the County's equalized property tax base provided by real growth is estimated at \$74 million (0.7%) for 2012. Devaluation of all existing property was \$158M (4.2%). Net decrease in equalized value was \$80M (.8%). Net cumulative devaluation of existing property and new construction from 2007 until 2011 on an equalized basis is 8.5%. Equalized values are based on recorded home sales and may not be indicative of actual market conditions.
- Proceeds from County sales and use tax are expected to increase compared to the 2012 budget. The actual experience in 2012 demonstrated strengthening consumer confidence. The volume of taxable merchandise sold was higher than prior to the recession even when inflation is factored. All budgeted sales and use tax revenue are used to directly reduce the annual property tax levy.

- County wage rates are not budgeted to increase in 2013 and Group Health insurance is not expected to increase after the county implemented plan and deductible changes. All non-protected employees will contribute 6.1% up from 5.9% to their defined benefit retirement plan and all new hire protected employee will contribute the same. The County matches these contributions.
- The County expects to retain its Aaa bond rating.
- We expect the housing and new construction market to remain soft but with an increase over the prior three years and home prices to increase in 2013.

All of these factors were considered in preparing the 2013 County fiscal year budget.

Requests for Information

The financial report is designed to provide a general overview of Ozaukee County's finances for all those with an interest in the government's finances. Additional information on items provided in this report can be requested in writing addressed to the Ozaukee County Finance Director, 121 W. Main Street, Port Washington, WI 53074 or viewed on the County website www.co.ozaukee.wi.us under the Finance Department.

BASIC FINANCIAL STATEMENTS

OZAUKEE COUNTY, WISCONSIN

Statement of Net Position

December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
ASSETS				
Cash and Investments	\$ 13,178,379	\$ 115,223	\$ 13,293,602	\$ 91,854
Receivables				
Taxes	19,101,190	245,955	19,347,145	-
Delinquent taxes	1,949,239	-	1,949,239	-
Delinquent special assessments	66,776	-	66,776	-
Accounts	3,642,397	1,360,673	5,003,070	-
Internal balances	2,493,690	(2,493,690)	-	-
Due from other governments	3,244,210	502,670	3,746,880	-
Inventories and prepaid items	735,458	1,935,340	2,670,798	-
Capital assets not being depreciated				
Land	12,058,438	292,848	12,351,286	-
Construction In progress	2,330,971	227,912	2,558,883	-
Capital assets being depreciated				
Land improvements	1,938,092	4,112,810	6,050,902	-
Buildings and building improvements	31,088,027	29,543,886	60,631,913	-
Machinery and equipment	18,718,715	19,238,449	37,957,164	-
Infrastructure	36,807,367	-	36,807,367	-
Less: Accumulated depreciation	(51,281,751)	(28,507,804)	(79,789,555)	-
TOTAL ASSETS	96,071,198	26,574,272	122,645,470	91,854
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	174,619	-	174,619	-
LIABILITIES				
Accounts payable	2,559,553	63	2,559,616	1,353
Accrued liabilities	1,613,559	250,135	1,863,694	-
Accrued interest payable	92,881	-	92,881	-
Due to other governments	827,644	-	827,644	-
Unearned revenues	275,081	351,708	626,789	-
Custodial and special deposits	2,130,278	-	2,130,278	-
Long term obligations				
Due within one year	843,491	404,586	1,248,077	-
Due in more than one year	12,569,542	10,384,305	22,953,847	-
TOTAL LIABILITIES	20,912,029	11,390,797	32,302,826	1,353
DEFERRED INFLOWS OF RESOURCES				
Property taxes	19,101,189	245,955	19,347,144	-
Special assessments	66,776	-	66,776	-
TOTAL DEFERRED INFLOWS OF RESOURCES	19,167,965	245,955	19,413,920	-
NET POSITION				
Net Investment in capital assets	41,189,859	15,293,101	56,482,960	-
Restricted	3,600,277	-	3,600,277	-
Unrestricted (Deficit)	11,375,687	(355,581)	11,020,106	90,501
TOTAL NET POSITION	\$ 56,165,823	\$ 14,937,520	\$ 71,103,343	\$ 90,501

The notes to the basic financial statements are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 9,115,344	\$ 2,330,937	\$ 2,508,905	\$ -
Public Safety	12,549,843	932,003	350,458	-
Health and Human Services	14,300,564	900,295	6,934,745	-
Transportation	7,461,149	709,562	2,777,869	1,307,499
Culture and Recreation	1,814,331	27,840	79,228	-
Conservation and Development	3,244,606	2,676,155	135,985	-
Interest and fiscal charges	556,346	-	-	-
Total Governmental Activities	49,042,183	7,576,792	12,787,190	1,307,499
Business-type Activities				
Nursing Home	15,597,171	13,476,800	1,597,468	-
Highway	9,042,591	9,032,623	-	-
Independent Living Facility	566,453	851,154	-	-
Golf	1,781,589	2,158,177	-	-
Lasata RCAC	2,095,996	2,361,128	-	-
Total Business-type Activities	29,083,800	27,879,882	1,597,468	-
Total Primary Government	\$ 78,125,983	\$ 35,456,674	\$ 14,384,658	\$ 1,307,499
Component Unit				
Ozaukee County Economic Development Corporation	\$ 160,336	\$ 167,178	\$ -	\$ -

General revenues
Property taxes
Sales taxes
Other taxes
Federal and state grants and contributions
not restricted to specific functions
Interest and investment earnings
Miscellaneous
Total general revenues

Change in net position

Change in accounting principle

Net position - January 1

Net position - December 31

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-type Activities	Total	Ozaukee County Economic Development Corporation

\$ (4,275,502)	\$ -	\$ (4,275,502)	\$ -
(11,267,382)	-	(11,267,382)	-
(6,465,524)	-	(6,465,524)	-
(2,666,219)	-	(2,666,219)	-
(1,707,263)	-	(1,707,263)	-
(432,466)	-	(432,466)	-
(556,346)	-	(556,346)	-
<u>(27,370,702)</u>	<u>-</u>	<u>(27,370,702)</u>	<u>-</u>

-	(522,903)	(522,903)	-
-	(9,968)	(9,968)	-
-	284,701	284,701	-
-	376,588	376,588	-
-	265,132	265,132	-
<u>-</u>	<u>393,550</u>	<u>393,550</u>	<u>-</u>
<u>(27,370,702)</u>	<u>393,550</u>	<u>(26,977,152)</u>	<u>-</u>

-	-	-	6,842
---	---	---	-------

19,154,359	-	19,154,359	-
6,543,022	-	6,543,022	-
659,718	-	659,718	-
155,000	-	155,000	-
249,028	35	249,063	-
1,269,958	-	1,269,958	-
<u>28,031,085</u>	<u>35</u>	<u>28,031,120</u>	<u>-</u>

660,383	393,585	1,053,968	6,842
-	(35,098)	(35,098)	-
<u>55,505,440</u>	<u>14,579,033</u>	<u>70,084,473</u>	<u>83,659</u>
<u>\$ 56,165,823</u>	<u>\$ 14,937,520</u>	<u>\$ 71,103,343</u>	<u>\$ 90,501</u>

OZAUKEE COUNTY, WISCONSIN

Balance Sheet
Governmental Funds
December 31, 2012

	General	Human Services	County Roads and Bridges	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 12,961,579	\$ 400	\$ -	\$ 216,400	\$ 13,178,379
Receivables					
Taxes	8,924,737	4,789,562	3,842,895	1,543,996	19,101,190
Delinquent taxes	1,949,239	-	-	-	1,949,239
Delinquent special assessments	66,776	-	-	-	66,776
Accounts	306,587	77,198	-	3,257,805	3,641,590
Due from other funds	4,574,396	862,737	1,423,537	3,124,853	9,985,523
Due from other governments	1,676,587	477,888	-	1,089,735	3,244,210
Prepaid items	677,932	5,182	-	52	683,166
TOTAL ASSETS	\$ 31,137,833	\$ 6,212,967	\$ 5,266,432	\$ 9,232,841	\$ 51,850,073
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,550,804	\$ 8,749	\$ -	\$ -	\$ 2,559,553
Accrued liabilities	1,613,559	-	-	-	1,613,559
Due to other governments	273,067	554,577	-	-	827,644
Due from other funds	6,762,092	-	-	756,587	7,518,679
Unearned revenues	255,930	-	-	19,151	275,081
Custodial and special deposits	2,127,480	2,798	-	-	2,130,278
Total Liabilities	13,582,932	566,124	-	775,738	14,924,794
Deferred Inflows of Resources					
Property taxes	8,924,737	4,789,562	3,842,895	1,543,995	19,101,189
Loans receivable	-	-	-	3,071,220	3,071,220
Special assessments	66,776	-	-	-	66,776
Total Deferred Inflows of Resources	8,991,513	4,789,562	3,842,895	4,615,215	22,239,185
Fund Balances					
Nonspendable for					
Prepaid items	677,932	5,182	-	52	683,166
Delinquent property tax	1,764,175	-	-	-	1,764,175
Restricted	123,496	-	-	405,561	529,057
Committed	8,125	852,099	1,423,537	3,523,967	5,807,728
Assigned	139,198	-	-	-	139,198
Unassigned	5,850,462	-	-	(87,692)	5,762,770
Total Fund Balances	8,563,388	857,281	1,423,537	3,841,888	14,686,094
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 31,137,833	\$ 6,212,967	\$ 5,266,432	\$ 9,232,841	\$ 51,850,073

(Continued)

OZAUKEE COUNTY, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2012

Reconciliation to the Statement of Net Position

Total Fund Balance as shown from previous page	\$ 14,686,094
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	51,659,859
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	
Loans receivable	3,071,220
Some deferred outflows used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Deferred charge on refunding	174,619
Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.	
General obligation debt	(10,470,000)
Compensated absences (excluding internal service fund balances which are included below)	(2,521,234)
Unamortized bond premium	(366,854)
Accrued interest payable	(92,881)
An internal service fund is used by management to charge the costs of information technology to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	<u>25,000</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 31)	<u><u>\$ 56,165,823</u></u>

The notes to the basic financial statements are an integral part of this statement.

OZAUKEE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General	Human Services	County Roads and Bridges	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 16,057,246	\$ 5,101,177	\$ 3,635,326	\$ 1,563,350	\$ 26,357,099
Intergovernmental	1,654,763	5,350,397	1,194,817	8,453,935	16,653,912
Charges for services	1,818,956	589,135	-	1,289,857	3,697,948
Intergovernmental charges for service	441,202	-	-	34,840	476,042
Interdepartmental charges for service	436,393	-	-	37,907	474,300
Fines and forfeits	228,938	-	-	3,062	232,000
Licenses and permits	112,576	-	-	-	112,576
Interest on investments	215,940	-	-	33,088	249,028
Interest on loans	-	-	-	179,618	179,618
Other	673,636	3,242	-	593,165	1,270,043
Total Revenues	21,639,650	11,043,951	4,830,143	12,188,822	49,702,566
Expenditures					
Current					
General government	8,484,013	-	-	195,765	8,679,778
Public safety	11,545,978	-	-	55,522	11,601,500
Health and human services	639,794	11,061,809	-	2,814,575	14,516,178
Transportation	126,894	-	4,160,817	2,842,849	7,130,560
Culture and recreation	855,899	-	-	25,813	881,712
Conservation and development	662,800	-	-	2,556,077	3,218,877
Debt service					
Principal	-	-	-	765,000	765,000
Interest and fiscal charges	-	-	-	406,614	406,614
Capital outlay	425,350	5,863	-	6,242,477	6,673,690
Total Expenditures	22,740,728	11,067,672	4,160,817	15,904,692	53,873,909
Excess of Revenues Over (Under)					
Expenditures	(1,101,078)	(23,721)	669,326	(3,715,870)	(4,171,343)
Other Financing Sources (Uses)					
Long-term debt issued	-	-	-	2,415,000	2,415,000
Payment to escrow agent	-	-	-	(2,584,890)	(2,584,890)
Transfers in	743,709	-	-	1,294,057	2,037,766
Transfers out	(546,247)	-	-	(1,491,519)	(2,037,766)
Total Other Financing Sources (Uses)	197,462	-	-	(367,352)	(169,890)
Net Change in Fund Balances	(903,616)	(23,721)	669,326	(4,083,222)	(4,341,233)
Fund Balances - Beginning of Year	9,467,004	881,002	754,211	7,925,110	19,027,327
Fund Balances - End of Year	\$ 8,563,388	\$ 857,281	\$ 1,423,537	\$ 3,841,888	\$ 14,686,094

(Continued)

OZAUKEE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2012

Reconciliation to the Statement of Activities

Net Change in Fund Balance from previous page \$ (4,341,233)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets reported as expenditures in governmental fund statements	\$ 6,800,916	
Depreciation expense reported in the statement of activities	<u>(2,993,013)</u>	
Amount in which capital outlay is greater than depreciation expense		3,807,903

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:

3,165,000

Debt that is reported in the governmental funds as a source of financing. In the statement of net position, however debt constitutes a long-term liability. The amount of debt reported in the governmental fund statement is:

(2,415,000)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased by:

402,299

Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues:

28,120

Bond premiums are reported in the governmental funds as a revenue. In the statement of activities, these revenues are amortized over the life of the bonds. Bond premium amortization exceeded revenue by:

(167,581)

The deferred charge on refunding is reported in the governmental fund as an expenditure. In the Statement of Activities, this cost is amortized over the life of the bonds.

174,619

Governmental funds report loans to outside entities as expenditures, however in the statement of net position the loans are reported as increases to receivables. Repayment of loan principal is a revenue in the governmental funds, but the repayment reduces the receivable in the statement of net position. The amount by which new loans exceeded principal payments is:

(25,147)

An internal service fund is used by management to charge the costs of information technology programs to individual funds. The net expense of the internal service fund is reported with governmental activities. Net of amounts above:
Change in net position

31,403

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (see pages 32 and 33)

\$ 660,383

The notes to the basic financial statements are an integral part of this statement.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 15,671,722	\$ 15,671,722	\$ 16,057,246	\$ 385,524
Intergovernmental	1,431,910	1,901,962	1,654,763	(247,199)
Charges for services	1,672,665	1,672,665	1,818,956	146,291
Intergovernmental charges for service	1,872,500	1,872,500	441,202	(1,431,298)
Interdepartmental charges for service	461,217	461,217	436,393	(24,824)
Fines and forfeits	320,000	320,000	228,938	(91,062)
Licenses and permits	93,515	93,515	112,576	19,061
Interest on investments	336,000	336,000	215,940	(120,060)
Other	553,580	591,172	673,636	82,464
Total Revenues	22,413,109	22,920,753	21,639,650	(1,281,103)
Expenditures				
Current				
General government	8,976,069	9,010,389	8,484,013	526,376
Public safety	11,442,727	11,741,678	11,545,978	195,700
Health and human services	646,470	648,500	639,794	8,706
Transportation	129,832	129,832	126,894	2,938
Culture and recreation	910,424	1,133,968	855,899	278,069
Conservation and development	664,262	788,875	662,800	126,075
Capital outlay	615,801	729,101	425,350	303,751
Total Expenditures	23,385,585	24,182,343	22,740,728	1,441,615
Excess of Revenues Over (Under) Expenditures	(972,476)	(1,261,590)	(1,101,078)	160,512
Other Financing Sources (Uses)				
Transfers in	534,595	823,709	743,709	(80,000)
Transfers out	-	(258,747)	(546,247)	(287,500)
Total Other Financing Sources (Uses)	534,595	564,962	197,462	(367,500)
Net Change in Fund Balance	(437,881)	(696,628)	(903,616)	(206,988)
Fund Balance - Beginning of Year	9,467,004	9,467,004	9,467,004	-
Fund Balance - End of Year	\$ 9,029,123	\$ 8,770,376	\$ 8,563,388	\$ (206,988)

The notes to the basic financial statements are an integral part of this statement.

OZAUKEE COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Human Services

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Property Tax Revenue	\$ 5,101,177	\$ 5,101,177	\$ 5,101,177	\$ -
Intergovernmental				
Inter County Grant	-	-	7,813	7,813
State Aid	4,617,019	4,617,019	4,975,803	358,784
State Aid - MA Waiver	-	-	366,781	366,781
Total Intergovernmental	4,617,019	4,617,019	5,350,397	733,378
Charges for Services				
Birth To 3	-	-	(4,216)	(4,216)
Case Management Reimbursement	13,000	13,000	11,435	(1,565)
Client Fees - Alcohol	-	-	1,316	1,316
Client Fees - Mental Health	13,400	13,400	17,118	3,718
Cost Share Parents	43,500	43,500	29,710	(13,790)
Counseling Center Fees PP	254,218	254,218	11,380	(242,838)
Day Care Certification Fees	300	300	240	(60)
Driver Improvement Surcharge	-	-	84,510	84,510
Family Care	43,800	43,800	31,093	(12,707)
Foster Home Refunds	74,952	74,952	109,379	34,427
IDP Assessments	96,092	96,092	93,476	(2,616)
MA Comm Support	218,754	218,754	89,044	(129,710)
MA Personal Care	17,631	17,631	12,241	(5,390)
Medical Refunds	-	-	(1,419)	(1,419)
Parental Fees/Rev Adj	-	-	(6,261)	(6,261)
Photocopy Revenue	2,200	2,200	1,616	(584)
Residential Care Refunds	40,000	40,000	59,336	19,336
Residential Income PP	34,225	34,225	30,261	(3,964)
Residential Income SSI	6,700	6,700	6,866	166
Shelter Care Refunds	-	-	1,470	1,470
State 85 Percent Take Back	-	-	(9,692)	(9,692)
Supervision Fees	10,000	10,000	8,830	(1,170)
Third Party Liability Refunds	-	-	11,402	11,402
Total Charges for Services	868,772	868,772	589,135	(279,637)

(Continued)

OZAUKEE COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

Human Services

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues (Continued)				
Other:				
Donations	2,500	2,500	-	(2,500)
Prior Year Revenue	-	-	2,326	2,326
Other Revenue	5,700	5,700	916	(4,784)
Total Other Revenue	8,200	8,200	3,242	(4,958)
Total Revenues	10,595,168	10,595,168	11,043,951	448,783
Expenditures				
Current				
Health and Human Services				
Administration	1,115,590	1,115,590	1,112,872	2,718
Safe & Stable Families	54,150	54,150	59,576	(5,426)
Sub Care RCC GH FC	821,085	821,085	810,203	10,882
Youth Aids RCC GH FC	474,270	474,270	660,938	(186,668)
Youth Independent Living	14,375	14,375	19,087	(4,712)
Youth Aids Community	488,068	488,068	550,188	(62,120)
Youth Aids AODA	10,000	10,000	16,958	(6,958)
Kinship Care Base Benefits	39,600	39,600	55,408	(15,808)
Kinship Care Assessments	4,128	4,128	5,371	(1,243)
Foster Care Administration	1,200	1,200	1,225	(25)
Basic County Allocate Children	1,228,348	1,228,348	1,222,441	5,907
Community Intervention Program	21,680	21,680	36,128	(14,448)
Youth Aid Correctional	275,000	275,000	45,308	229,692
Coordinated Services Team	-	-	54,920	(54,920)
Community Options Program	5,000	5,000	27,721	(22,721)
Basic County Allocation Adults	82,121	82,121	91,807	(9,686)
MA Personal Care	49,990	49,990	32,670	17,320
Elder Abuse Grant	17,031	17,031	19,010	(1,979)
Family Care	94,192	94,192	86,325	7,867
Developmental Disabilities BCA	1,712,429	1,712,429	1,755,714	(43,285)
Birth To Three	546,489	546,489	524,844	21,645
Family Support Program	53,970	53,970	20,696	33,274
CLTS Local Match	74,585	74,585	133,677	(59,092)
CLTS State Match	-	-	227,574	(227,574)

(Continued)

OZAUKEE COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

Human Services

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Current (continued)				
Health and Human Services (continued)				
Elder Abuse Grant	682,607	682,607	710,245	(27,638)
Income Maint Fraud Prog Integ	7,224	7,224	4,136	3,088
LIHEAP Crisis Client Services	2,500	2,500	19,567	(17,067)
LIHEAP Operations	50,589	50,589	42,284	8,305
LIHEAP Outreach	9,424	9,424	10,746	(1,322)
W2 Work Activities	31,300	31,300	24,290	7,010
Child Care Program Operation	102,684	102,684	142,715	(40,031)
Limited Relief	1,000	1,000	-	1,000
Mental Health BCA	1,449,681	1,449,681	1,449,766	(85)
Community Support Program	603,854	603,854	521,252	82,602
Mental Health Block Grant	21,623	21,623	28,207	(6,584)
Alcohol BCA	449,381	449,381	521,593	(72,212)
Intoxicated Driver Program	-	-	16,347	(16,347)
Total Expenditures	<u>10,595,168</u>	<u>10,595,168</u>	<u>11,061,809</u>	<u>(466,641)</u>
Capital Outlay				
Computer Equipment	-	-	5,863	(5,863)
Net Change in Fund Balance	-	-	(23,721)	(23,721)
Fund Balance - Beginning of Year	<u>881,002</u>	<u>881,002</u>	<u>881,002</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 881,002</u>	<u>\$ 881,002</u>	<u>\$ 857,281</u>	<u>\$ (23,721)</u>

The notes to the basic financial statements are an integral part of this statement.

OZAUKEE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
County Roads and Bridges Special Revenue Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 3,635,326	\$ 3,635,326	\$ 3,635,326	\$ -
Intergovernmental	1,774,269	1,774,269	1,194,817	(579,452)
Total Revenues	<u>5,409,595</u>	<u>5,409,595</u>	<u>4,830,143</u>	<u>(579,452)</u>
Expenditures				
Current				
Transportation	5,409,595	5,821,740	4,160,817	1,660,923
Net Change in Fund Balance	-	(412,145)	669,326	1,081,471
Fund Balance - Beginning of Year	<u>754,211</u>	<u>754,211</u>	<u>754,211</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 754,211</u>	<u>\$ 342,066</u>	<u>\$ 1,423,537</u>	<u>\$ 1,081,471</u>

The notes to the basic financial statements are an integral part of this statement.

OZAUKEE COUNTY, WISCONSIN

Statement of Net Position

Proprietary Funds

December 31, 2012

	Lasata Care Center	Highway	Golf Course	Lasata RCAC	Lasata Heights Nonmajor Proprietary Fund	Total	Government Activities Internal Service Fund
ASSETS							
Current Assets							
Cash and investments	\$ 46,270	\$ 7,314	\$ 8,807	\$ 52,582	\$ 250	\$ 115,223	\$ -
Receivables							
Property Taxes	245,955	-	-	-	-	245,955	-
Accounts	1,036,618	-	308,179	15,876	-	1,360,673	807
Due from other funds	-	-	5,554	777,041	536,667	1,319,262	27,290
Due from other governments	-	502,670	-	-	-	502,670	-
Inventories	46,913	1,869,617	8,401	3,381	2,061	1,930,373	52,292
Prepaid items	1,998	-	-	2,969	-	4,967	-
Total Current Assets	1,377,754	2,379,601	330,941	851,849	538,978	5,479,123	80,389
Capital Assets							
Land	31,137	92,722	168,094	-	895	292,848	-
Land improvements	405,661	699,388	2,402,527	467,043	138,191	4,112,810	-
Building and building Improvements	7,949,546	5,551,547	2,650,720	8,702,172	4,689,901	29,543,886	-
Machinery and equipment	1,343,525	14,489,816	2,944,333	345,533	115,242	19,238,449	1,474,726
Construction in progress	179,884	48,028	-	-	-	227,912	-
Accumulated depreciation	(6,618,636)	(12,401,235)	(5,780,661)	(919,020)	(2,788,252)	(28,507,804)	(1,474,726)
Total Capital Assets	3,291,117	8,480,266	2,385,013	8,595,728	2,155,977	24,908,101	-
TOTAL ASSETS	4,668,871	10,859,867	2,715,954	9,447,577	2,694,955	30,387,224	80,389
LIABILITIES							
Current Liabilities							
Accounts payable	-	-	63	-	-	63	-
Other accrued liabilities	-	107,200	-	139,890	3,045	250,135	-
Due to other funds	1,902,827	1,910,125	-	-	-	3,812,952	444
Unearned revenues	-	18,427	21,041	224,240	88,000	351,708	-
Current portion of bonds payable	-	-	-	404,586	-	404,586	-
Total Current Liabilities	1,902,827	2,035,752	21,104	768,716	91,045	4,819,444	444
Noncurrent Liabilities							
Compensated absences	477,640	433,304	161,539	5,535	23,258	1,101,276	54,945
Noncurrent portion of bonds payable	-	-	-	9,283,029	-	9,283,029	-
Total Noncurrent Liabilities	477,640	433,304	161,539	9,288,564	23,258	10,384,305	54,945
TOTAL LIABILITIES	2,380,467	2,469,056	182,643	10,057,280	114,303	15,203,749	55,389
DEFERRED INFLOWS OF RESOURCES							
Property taxes	245,955	-	-	-	-	245,955	-
NET POSITION							
Net investment in capital assets	3,291,117	8,480,266	2,385,013	(1,019,272)	2,155,977	15,293,101	-
Unrestricted (deficit)	(1,248,668)	(89,455)	148,298	409,569	424,675	(355,581)	25,000
TOTAL NET POSITION (DEFICIT)	\$ 2,042,449	\$ 8,390,811	\$ 2,533,311	\$ (609,703)	\$ 2,580,652	\$ 14,937,520	\$ 25,000

The notes to the basic financial statements are an integral part of this statement.

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

	Lasata Care Center	Highway	Golf Course	Lasata RCAC	Lasata Heights Nonmajor Proprietary Fund	Total	Government Activities Internal Service Fund
Operating Revenues							
Charges for services	\$ 13,337,204	\$ 8,977,878	\$ 1,836,413	\$ 2,352,863	\$ 845,540	\$ 27,349,898	\$ 100
Other	139,596	54,745	321,764	8,265	5,614	529,984	1,028,722
Total Operating Revenues	13,476,800	9,032,623	2,158,177	2,361,128	851,154	27,879,882	1,028,822
Operating Expenses							
Administration	1,640,068	187,820	92,176	176,814	66,702	2,163,580	997,444
Operation and maintenance	13,601,702	7,924,444	1,398,896	1,117,168	359,775	24,401,985	-
Depreciation	354,162	930,327	290,517	371,893	137,848	2,084,747	-
Total Operating Expenses	15,595,932	9,042,591	1,781,589	1,665,875	564,325	28,650,312	997,444
Operating Income (Loss)	(2,119,132)	(9,968)	376,588	695,253	286,829	(770,430)	31,378
Nonoperating Revenues (Expenses)							
Gain (loss) on disposal of property and equipment	(1,239)	-	-	-	(2,128)	(3,367)	25
State grants and aid (ITP funds)	1,597,468	-	-	-	-	1,597,468	-
Interest and fiscal charges	-	-	-	(430,121)	-	(430,121)	-
Interest income	35	-	-	-	-	35	-
Total Nonoperating Revenues (Expenses)	1,596,264	-	-	(430,121)	(2,128)	1,164,015	25
Income (Loss) Before Transfers	(522,868)	(9,968)	376,588	265,132	284,701	393,585	31,403
Transfer in	145,146	-	-	-	-	145,146	-
Transfer out	-	-	-	-	(145,146)	(145,146)	-
Change in net position	(377,722)	(9,968)	376,588	265,132	139,555	393,585	31,403
Change in accounting principle	-	-	-	(35,098)	-	(35,098)	-
Net Position (Deficit) - Beginning of Year	2,420,171	8,400,779	2,156,723	(839,737)	2,441,097	14,579,033	(6,403)
Net Position (Deficit) - End of Year	\$ 2,042,449	\$ 8,390,811	\$ 2,533,311	\$ (609,703)	\$ 2,580,652	\$ 14,937,520	\$ 25,000

The notes to the basic financial statements are an integral part of this statement.

OZAUKEE COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Lasata Care Center	Highway	Golf Course	Lasata RCAC	Lasata Heights Nonmajor Proprietary Fund	Total	Governmental Activities Internal Service Fund
Cash Flows from Operating Activity							
Cash received from user charges	\$ 13,443,026	\$ 8,917,776	\$ 1,848,459	\$ 2,371,067	\$ 855,654	\$ 27,435,982	\$ 876,307
Cash payments to suppliers	(4,707,419)	(4,683,361)	(539,053)	(490,976)	(177,743)	(10,598,552)	(562,410)
Cash payments to employees	(10,518,298)	(3,397,594)	(951,684)	(797,304)	(246,673)	(15,911,553)	(448,483)
Net Cash Provided (Used) by Operating Activities	(1,782,691)	836,821	357,722	1,082,787	431,238	925,877	(134,586)
Cash Flows from Noncapital Financing Activities							
State grants and aid (ITP)	1,597,468	-	-	-	-	1,597,468	-
Transfer In	145,146	-	-	-	-	145,146	-
Transfers to other funds	-	-	-	-	(145,146)	(145,146)	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,742,614	-	-	-	(145,146)	1,597,468	-
Cash Flows from Capital and Related Financing Activities							
Acquisition of capital assets	(317,743)	(923,623)	(61,890)	(21,846)	(81,951)	(1,407,053)	-
Proceeds on disposal of property and equipment	-	(24,360)	-	-	2,128	(22,232)	25
Principal payments on long-term debt	-	-	-	(385,000)	-	(385,000)	-
Interest payments on long-term debt	-	-	-	(430,121)	-	(430,121)	-
Net Cash Used by Capital and Related Financing Activities	(317,743)	(947,983)	(61,890)	(836,967)	(79,823)	(2,244,406)	25
Cash Flows from Investing Activities							
Interest Income	35	-	-	-	-	35	-
Increase (Decrease) in Cash and Cash Equivalents	(357,785)	(111,162)	295,832	245,820	206,269	278,974	(134,561)
Net Cash Temporarily Transferred (to) from General Fund	308,876	109,244	(287,025)	(216,865)	(207,133)	(292,903)	134,561
Net Increase (Decrease) in Cash and Cash Equivalents	(48,909)	(1,918)	8,807	28,955	(864)	(13,929)	-
Cash and Cash Equivalents - January 1	95,179	9,232	-	23,627	1,114	129,152	-
Cash and Cash Equivalents - December 31	\$ 46,270	\$ 7,314	\$ 8,807	\$ 52,582	\$ 250	\$ 115,223	\$ -

(Continued)

OZAUKEE COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

Lasata Care Center	Highway	Golf Course	Lasata RCAC	Lasata Heights Nonmajor Proprietary Fund	Total	Governmental Activities Internal Service Fund
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Reconciliation of Operating Income (Loss)
to Net Cash Provided (Used) by

Operating Activities:

Operating income (loss)	\$ (2,119,132)	\$ (9,968)	\$ 376,588	\$ 695,253	\$ 286,829	\$ (770,430)	\$ 31,378
Adjustments to reconcile operating income (loss) to net cash provided (used by) operating activities:							
Depreciation	354,162	930,327	290,517	371,893	137,848	2,084,747	-
Changes in assets and liabilities							
Accounts receivable	(279,729)	(123,655)	(308,719)	9,766	-	(702,337)	(1,106)
Inventories	16,053	35,914	-	(3,381)	2,061	50,647	(13,865)
Prepaid items	-	(2,545)	-	-	-	(2,545)	-
Accounts payable	-	-	(1,129)	-	-	(1,129)	416
Accrued liabilities	-	6,748	1,464	9,083	-	17,295	-
Unearned revenue	245,955	-	(999)	173	4,500	249,629	(151,409)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,782,691)</u>	<u>\$ 836,821</u>	<u>\$ 357,722</u>	<u>\$ 1,082,787</u>	<u>\$ 431,238</u>	<u>\$ 925,877</u>	<u>\$ (134,586)</u>

The notes to the basic financial statements are an integral part of this statement.

OZAUKEE COUNTY, WISCONSIN

Statement of Net Position

Fiduciary Funds

December 31, 2012

	Agency Fund
ASSETS	
Cash and cash equivalents	\$ 843,662
Accounts receivable	23,003
	<u>\$ 866,665</u>
 LIABILITIES	
Agency deposits	<u>\$ 866,665</u>

The notes to the basic financial statements are an integral part of this statement.

OZAUKEE COUNTY, WISCONSIN

Notes to Basic Financial Statement

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Ozaukee County, Wisconsin ("the County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

1. Reporting Entity

Ozaukee County is a municipal corporation governed by an elected 26 member board. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The component unit discussed below is included in the reporting entity due to the significance of the County's financial accountability with it.

2. Individual Component Unit Disclosures

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization, or (b) 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.

Included within the reporting entity:

Ozaukee County Economic Development Corporation (OCEDC)

The government-wide financial statements include the OCEDC as a component unit. OCEDC is a legally separate organization established to advance the business, prosperity and economy of Ozaukee County. It is funded by contributions from the County, County municipalities, and various businesses. OCEDC is included because the County contributes a substantial amount of funding towards their operations. As a component unit, OCEDC's financial statements have been presented as a discrete column in the financial statements. Separately issued financial statements are available from their office in Port Washington, Wisconsin.

3. Related Organizations

Eastern Shores Library System provides library services to the residents of the County. The County Board is responsible for appointing six of the fifteen members to the Eastern Shores Library System Board, but the County's accountability for this organization does not extend beyond making the appointments. Therefore, this organization is not included in the County's reporting entity.

4. Government-Wide and Fund Financial Statements

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

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

OZAUKEE COUNTY, WISCONSIN

Notes to Basic Financial Statement

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

GENERAL FUND

This is the County's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

SPECIAL REVENUE FUNDS

HUMAN SERVICES

This fund accounts for all financial resources related to Community Programs and Social Services. The fund's primary revenues are state and federal aids.

COUNTY ROADS AND BRIDGES

This fund accounts for the County's use of tax dollars and state aid to construct and maintain the County highway and bridge system.

The County reports the following major enterprise funds:

LASATA CARE CENTER

This fund accounts for all financial resources of the County's nursing home facility.

HIGHWAY

This fund accounts for all financial resources of the County's highway maintenance operation.

GOLF COURSE

This fund accounts for all financial resources of the County's golf course operation.

LASATA RESIDENTIAL CARE APARTMENT COMPLEX

This fund accounts for all financial resources of the operations of the Residential Care Apartment Complex.

Additionally, the government reports the following fund types:

Internal service funds account for technology resources services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

The County accounts for assets held for individuals by various departments and funds held for other governmental agencies in agency funds. The majority of the funds held by the County as an agent are bond deposits with the clerk of courts. The bond deposits can be retained by the County if the defendant fails to comply with the terms of the bond, be returned to the defendant or can be used in cases where restitution is ordered by the judge. The other individually significant balance is for the jail inmate accounts. Inmates deposit funds with the County and can use the funds to purchase items from the commissary. The remaining agency deposits are relatively small and represent deposits from beneficiaries of various county entitlement programs.

OZAUKEE COUNTY, WISCONSIN

Notes to Basic Financial Statement

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, other fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the County's highway functions and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents.

b. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

OZAUKEE COUNTY, WISCONSIN

Notes to Basic Financial Statement

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of 3 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the County for both governmental and business-type activities are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15
Buildings and building improvements	20 - 30
Machinery and equipment	3 - 10
Infrastructure	25 - 50

g. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

h. Deferred Outflows/Inflows of Resources

The County implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended December 31, 2012. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The County also has additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from loans receivables. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the current period.

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

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the County Board. Fund balance amounts are committed through a formal action (ordinance, resolution, motion) of the County Board. These constraints can only be removed by the County Board using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of the County Finance Committee. The County Board has authorized the County's Finance Committee to approve assignment of fund balance with oversight approval of the Executive Committee.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The County uses the following order of fund balance spend-down: 1-Restricted, 2-Committed, 3-Assigned, and 4-Unassigned based on its adopted policy.

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Amount of net position that are subject to restrictions that are imposed 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.
- Unrestricted net position - Net position that are neither classified as restricted nor as invested in capital assets, net of related debt.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Use of Estimates

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

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. During October, County management submits to the Administrative Committee of the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, debt service and capital project funds. Budget is defined as the originally approved budget plus or minus approved amendments. A budget amendment requires a simple majority of those present. To take money or move from a fund balance it will require a 2/3 vote of board members. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget. All funds in 2012 had approved budgets except the following:

Special Revenue Funds

- Caregiver Coalition
- Criminal Justice Collaborative Council
- Ozaukee County Fairgrounds

Capital Project Funds

- Bicycle trail
- Technology
- Tendick Park
- Lion's Den
- Support Services

- c. During the year, formal budgetary integration is employed as a management control device for the general, special revenue, debt service and capital projects funds. Management control for the capital projects funds is also achieved through project authorizations included in debt issue resolutions.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the County Board.
- e. Encumbrance accounting is not used by the County to record commitments related to unperformed contracts for goods or services.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2012.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

2. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2012 as follows:

The above excess expenditures were funded using favorable revenue variances and available fund balance in the governmental funds.

Fund	Excess Expenditures
General Fund	
General Government	
Shelter Care Advocates	\$ 23,625
External Audit	517
Department Support Highway	439
Property and Liability Insurance	44,813
Corporation Counsel	150,867
Elections	52,060
Property Taxes	5,380
Tax Deed	2,766
Fairgrounds	8,430
Clerk of Courts	93,520
Victim Witness Program	1,351
Public Safety	
Patrol	256,572
Criminal Investigation	101,796
Snowmobile Law Enforcement	769
Court Security	11,828
Health and Human Services	
Veterans Service	16,309
Culture and Recreation	
Parks-Administration	2,429
H H Peters Youth Camp	6,798
Waubedonia Park	1,123
Conservation and Development	
Soil and Water Management	16
Nonmetallic Mining	78
Wisconsin Coastal	785
Special Revenue Funds	
Human Services	
Safe & Stable Families	5,426
Youth Aids RCC GH FC	186,668
Youth Independent Living	4,712
Youth Aids Community	62,120
Youth Aids AODA	6,958
Kinship Care Base Benefits	15,808
Kinship Care Assessments	1,243
Foster Care Administration	25
Community Intervention Program	14,448
Coordinated Services Team	54,920
Community Options Program	22,721

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

Fund	Excess Expenditures
General Fund (Continued)	
Special Revenue Funds (Continued)	
Human Services (Continued)	
Basic County Allocation Adults	9,686
Elder Abuse Grant	1,979
Developmental Disabilities BCA	43,285
CLTS Local Match	59,092
CLTS State Match	227,574
Elder Abuse Grant	27,638
LIHEAP Crisis Client Services	17,067
LIHEAP Outreach	1,322
Child Care Program Operation	40,031
Mental Health BCA	85
Mental Health Block Grant	6,584
Alcohol BCA	72,212
Intoxicated Driver Program	16,347
Capital Outlay	5,863
Aging	
Health and Human Services	
Administration	18,178
Congregate Meals - Management	78
Congregate Meal - Delivery	380
Home Delivered Meals - Delivery	472
Aging and Disability Resource Center	
Health and Human Services	600
Public Health	
Health and Human Service	
DNR Beach Testing	1,222
Maternal and Child Health	2,318
Land Information	
Capital Outlay	4,550
Revolving Loans	
Conservation and Development	70,964
Transit - Bus Services	
Capital Outlay	1,536,325
Caregiver Coalition	
Health and Human Services	1,656
Criminal Justice Collaborative Council	
Health and Human Services	40,194
Fairgrounds	
Culture and Recreation	25,813

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

Fund	Excess Expenditures
Debt Service Fund	
Principal	9,700
Payment to Escrow Agent	2,584,890
Bicycle Trail	
Capital Outlay	7,802
Capital Reserve	
Capital Outlay	13,959
Support Services	
General Government	195,765
Capital outlay	4,619,841

The above excess expenditures were funded using favorable revenue variances and available fund balance in the governmental funds.

3. Deficit Fund Equity

The following funds had deficit fund equity as of December 31, 2012:

Fund	Deficit Fund Equity
Capital Projects Funds	
Bicycle Trail	\$ 87,692
Enterprise Fund	
Lasata RCAC	609,703

The County anticipates funding the above deficits from future revenues and tax levies of the funds.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

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

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the County's cash and investments totaled \$14,137,264 December 31, 2012 as summarized below:

Petty cash funds	\$ 14,918
Deposits with financial institutions	9,818,976
Investments	4,303,370
	<u>\$ 14,137,264</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 13,293,602
Fiduciary Fund Statement of Net Position	
Agency fund	843,662
	<u>\$ 14,137,264</u>

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

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. All financial institutions acting as a depository for the County must enter into a "depository agreement" requiring the depository to pledge collateral to secure amounts over and above guaranteed amounts. All securities serving as collateral shall be specifically pledged to the County (not as part of a pooled fund) and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for interest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts per official custodian per depository institution. In addition, the County's non-interest bearing transaction accounts are fully insured through December 31, 2012. As of January 1, 2013 the County's non-interest bearing transaction accounts are combined with its interest-bearing demand deposits for FDIC insurance coverage. In addition, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$ 400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available, therefore the County funds are collateralized on all accounts above \$250,000.

As of December 31, 2012, none of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. The entire amount was collateralized with securities held by a third party in the name of the County.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The County does not have an additional credit risk policy. Presented below is the actual rating as of year end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AA	Aa	Not Rated
Federal agency securities	\$ 3,234,668	\$ -	\$ 3,234,668	\$ -	\$ -
U.S. treasury bonds	835,162	835,162	-	-	-
Money market fund	228,913	228,913	-	-	-
Wisconsin local government investment pool	4,627	-	-	-	4,627
Totals	\$ 4,303,370	\$ 1,064,075	\$ 3,234,668	\$ -	\$ 4,627

Concentration of Credit Risk

The investment policy of the County limits the amount that can be invested in any one insurer to that institutions ability to collateralize or to pledge securities in the County's name. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total County investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total Investments
Federal National Mortgage Association	U.S. Instrumentality	\$ 990,392	23%
Federal Home Loan Mortgage Corporation	U.S. Instrumentality	1,027,403	24%

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The County does have a formal investment policy.

Information about the sensitivity of the fair value of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Money market fund	\$ 228,913	\$ 228,913	\$ -	\$ -	\$ -
U.S. treasury bonds	835,162	192,123	420,046	222,993	-
Federal agency securities	3,234,668	30,038	-	8,299	3,196,331
Wisconsin local government investment pool	4,627	4,627	-	-	-
Totals	\$ 4,303,370	\$ 455,701	\$ 420,046	\$ 231,292	\$ 3,196,331

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The County's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 3,204,630

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$4,627 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2012, the fair value of the County's share of the LGIP'S assets was substantially equal to the carrying value.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

2. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as deferred revenue at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by July 31 of the same year are considered delinquent. The delinquent taxes are then acquired by the County's general fund on August 20 in accordance with state statutes in order to provide the County with a statutory lien.

Property taxes recorded on December 31, 2012 for collection in 2013 are for the following:

State apportionment	\$ 1,755,707
County apportionment	19,347,145
Total	\$ 21,102,852

The above County apportionment of \$19,347,145 is for financing 2013 operations and will be transferred in 2013 from deferred inflows of revenue to current revenues of the County's governmental and proprietary funds.

3. Delinquent Property Taxes-General Fund

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

On December 31, 2012 the County's general fund showed an investment in delinquent taxes as follows:

Tax certificates	\$ 1,949,239
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OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

An aging of the total delinquent taxes of on December 31, 2012 follows:

Year Acquired	Tax Certificates
2008	\$ 76,341
2009	97,810
2010	225,818
2011	581,662
2012	967,608
Total	<u>\$ 1,949,239</u>

Of the total \$1,949,239 for delinquent taxes, \$185,065 was collected by the County within 60 days after December 31, 2012. The remaining unpaid balance of \$1,764,175 is recorded as nonspendable fund balance for the general fund.

4. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 12,058,438	\$ -	\$ -	\$ 12,058,438
Construction in progress	3,241,897	5,637,733	6,548,659	2,330,971
Total capital assets, not being depreciated	<u>15,300,335</u>	<u>5,637,733</u>	<u>6,548,659</u>	<u>14,389,409</u>
Capital assets, being depreciated:				
Land improvements	1,938,092	-	-	1,938,092
Buildings and building improvements	24,503,294	6,584,733	-	31,088,027
Machinery and equipment	18,640,600	78,115	-	18,718,715
Infrastructure	35,758,373	1,048,994	-	36,807,367
Subtotals	<u>80,840,359</u>	<u>7,711,842</u>	<u>-</u>	<u>88,552,201</u>
Less accumulated depreciation for:				
Land improvements	1,088,910	77,802	-	1,166,712
Buildings and building improvements	16,402,747	585,598	-	16,988,345
Machinery and equipment	12,603,564	1,311,975	-	13,915,539
Infrastructure	18,193,517	1,017,638	-	19,211,155
Subtotals	<u>48,288,738</u>	<u>2,993,013</u>	<u>-</u>	<u>51,281,751</u>
Total capital assets, being depreciated, net	<u>32,551,621</u>	<u>4,718,829</u>	<u>-</u>	<u>37,270,450</u>
Governmental activities capital assets, net	<u>\$ 47,851,956</u>	<u>\$ 10,356,562</u>	<u>\$ 6,548,659</u>	<u>51,659,859</u>
Less related long-term debt outstanding				<u>10,470,000</u>
Net investment in capital assets				<u>\$ 41,189,859</u>

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 263,754	\$ 29,094	\$ -	\$ 292,848
Construction in progress	46,171	227,912	46,171	227,912
Total capital assets, not being depreciated	<u>309,925</u>	<u>257,006</u>	<u>46,171</u>	<u>520,760</u>
Capital assets, being depreciated:				
Land improvements	4,110,304	2,506	-	4,112,810
Buildings and building improvements	29,264,237	279,649	-	29,543,886
Machinery and equipment	18,813,401	902,220	477,172	19,238,449
Subtotals	<u>52,187,942</u>	<u>1,184,375</u>	<u>477,172</u>	<u>52,895,145</u>
Less accumulated depreciation for:				
Land improvements	2,591,853	150,995	-	2,742,848
Buildings and building improvements	12,623,269	909,995	-	13,533,264
Machinery and equipment	11,624,392	1,023,757	416,457	12,231,692
Subtotals	<u>26,839,514</u>	<u>2,084,747</u>	<u>416,457</u>	<u>28,507,804</u>
Total capital assets, being depreciated, net	<u>25,348,428</u>	<u>(900,372)</u>	<u>60,715</u>	<u>24,387,341</u>
Business-type activities capital assets, net	<u>\$ 25,658,353</u>	<u>\$ (643,366)</u>	<u>\$ 106,886</u>	<u>24,908,101</u>
Less related long-term debt outstanding				<u>9,615,000</u>
Net investment in capital assets				<u>\$ 15,293,101</u>
Depreciation expense was charged to functions of the County as follows:				
Governmental activities				
General government				\$ 634,927
Public safety				948,344
Transportation				1,202,160
Health and human services				18,726
Culture and recreation				188,274
Conservation and development				582
Total depreciation expense - governmental activities				<u>\$ 2,993,013</u>
Business-type activities				
Nursing home				\$ 354,162
Highway department				930,327
Independent living facility				137,848
Golf courses				290,517
Residential Care Apartment Complex				371,893
Total depreciation expense - business-type activities				<u>\$ 2,084,747</u>

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Interfund Receivable, Payables and Transfers

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2012 are detailed below:

	Interfund Receivables	Interfund Payables
General Fund	\$ 4,574,396	\$ 6,762,092
Special Revenue Funds		
Human services	862,737	-
County roads and bridges	1,423,537	-
Aging services	143,730	-
ADRC	-	79,656
Public health	266,070	-
Land information	153,055	-
Revolving loans	-	2,414
Jail commissary	119,510	-
Transit - bus operations	-	535,436
Cargiver Coalition	1,316	-
Jail assessment	408,575	-
Ozaukee County Senior Conference	10,217	-
Criminal Justice Collaborative Council	7,103	-
Ozaukee County Fairgrounds	35,050	-
Debt Service Fund	80,666	-
Capital Project Funds		
Bicycle trail	-	87,692
Capital reserve	900,416	-
Support services	999,145	-
Water projects	-	51,389
Enterprise Funds		
Lasata care center	-	1,902,827
Highway	-	1,910,125
Golf courses	5,554	-
Lasata Heights	536,667	-
Lasata RCAC	777,041	-
Internal Service Funds		
Information services	27,290	444
Totals	\$ 11,332,075	\$ 11,332,075

The County uses interfund receivables and payables to balance each fund for receipts and disbursement recorded by the general fund on behalf of each fund. The County's operating cash accounts are in the general fund and all transactions affecting each fund is entered through the general fund cash accounts resulting in an interfund receivable or payable depending on the transaction type. All balances are expected to be repaid in one year.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended December 31, 2012 were as follows:

	Transfer to:			Total
	General Fund	Nonmajor Governmental Funds	Lasata Care Center	
Transfers from:				
General fund	\$ -	\$ 546,247	-	\$ 546,247
Nonmajor governmental funds	743,709	747,810	-	1,491,519
Nonmajor proprietary fund	-	-	145,146	145,146
Totals	\$ 743,709	\$ 1,294,057	\$ 145,146	\$ 2,182,912

Transfers made from human services and non-major funds to the general fund were to reimburse the general fund for expenditures paid by the general fund. Transfers to the County road and bridge fund were authorized to provide additional funds for road projects. Transfers from the general fund to nonmajor governmental funds were generally made to provide additional funding for authorized capital outlay projects. The transfer from the nonmajor proprietary fund to Lasata Care Center was to transfer the excess of revenues over expenses in accordance with the budget.

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2012:

	Outstanding 1/1/12	Issued	Retired	Outstanding 12/31/12	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	\$ 11,220,000	\$ 2,415,000	\$ 3,165,000	\$ 10,470,000	\$ 800,000
Bond Premium	199,273	188,069	20,488	366,854	43,491
Compensated absences	3,129,886	2,576,179	3,129,886	2,576,179	-
Governmental activities Long-term obligations	\$ 14,549,159	\$ 5,179,248	\$ 6,315,374	\$ 13,413,033	\$ 843,491
Business-type activities:					
General Obligation Debt					
Bonds	\$ 10,000,000	-	\$ 385,000	\$ 9,615,000	\$ 400,000
Bond Premium	77,201	-	4,586	72,615	4,586
Compensated absences	1,036,636	1,101,276	1,036,636	1,101,276	-
Business-type activities Long-term obligations	\$ 11,113,837	\$ 1,101,276	\$ 1,426,222	\$ 10,788,891	\$ 404,586

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Total interest paid during the year on long-term debt totaled \$793,860.

Bonds

\$2,415,000 issued 5/23/2012; \$15,000 to \$375,000 due annually through 2030; interest 2% to 3%	\$ 2,415,000
\$4,600,000 issued 8/24/11; \$165,000 to \$330,000 due annually through 2031; interest 2% to 4%	4,435,000
\$3,740,000 issued 11/23/2010; \$350,000 to \$430,000 due annually through 2021; interest 2% to 4%	3,055,000
\$10,000,000 issued 12/4/08; \$385,000 to \$850,000 due annually through 2028; interest 4% to 5%	9,615,000
\$4,345,000 issued 5/15/2006; \$155,000 to \$390,000 due annually through 2014; interest 4% to 4.5%	565,000
	\$ 20,085,000

Total Outstanding General Obligation Debt

\$ 20,085,000

Annual principal and interest maturities of the outstanding general obligation debt of \$20,085,000 on December 31, 2012 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 800,000	\$ 422,575	\$ 400,000	\$ 419,670	\$ 1,200,000	\$ 842,245
2014	830,000	393,473	425,000	401,045	1,255,000	794,518
2015	855,000	269,206	445,000	379,295	1,300,000	648,501
2016	880,000	246,381	470,000	356,420	1,350,000	602,801
2017	900,000	222,956	490,000	332,420	1,390,000	555,376
2018-2022	3,700,000	681,354	2,860,000	1,299,670	6,560,000	1,981,024
2023-2027	1,270,000	343,707	3,675,000	609,100	4,945,000	952,807
2028-2031	1,235,000	99,650	850,000	19,125	2,085,000	118,775
	\$ 10,470,000	\$ 2,679,302	\$ 9,615,000	\$ 3,816,745	\$ 20,085,000	\$ 6,496,047

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2012 was:

Equalized valuation of the County	\$ 10,345,569,700
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	517,278,485
Total outstanding general obligation debt applicable to debt limitation	\$ 20,085,000
Less: Amounts available for financing general obligation debt Debt service fund	80,666
Net outstanding general obligation debt applicable to debt limitation	20,004,334
Legal Margin for New Debt	\$ 497,274,151

Compensated Absences

Compensated absences are liquidated in the employees originating fund and department as used or upon termination of employment.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

7. Fund Equity

In the financial statements, the spendable governmental fund balances are classified in the following categories:

RESTRICTED FUND BALANCES

Portions of governmental fund balances are restricted for specific purposes by constraints imposed by external providers. At December 31, 2012, restricted fund balances consisted of the following:

General Fund	
Veteran's memorial	\$ 23,499
Federal forfeitures	98,210
State forfeitures	<u>1,787</u>
	<u>123,496</u>
Special Revenue Funds	
ADRC	35,722
Revolving loans	213,746
Jail commissary	119,510
Caregiver coalition	1,316
Criminal justice collaborative council	25,050
Ozaukee County senior conference	<u>10,217</u>
	<u>405,561</u>
 Total Restricted Fund Balances	 <u><u>\$ 529,057</u></u>

Restricted net position on the statement of net position includes all of the above restricted fund balances and the outstanding loan balance in the Community Development Block Grant fund of \$3,071,220, resulting in a total restricted balance of \$3,600,277.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

COMMITTED FUND BALANCES

Portions of governmental fund balances have been committed to specific purposes by the County Board. These amounts cannot be used for any other purpose unless the County Board approves the change. At December 31, 2012, committed fund balances consisted of the following:

General Fund	
Eastern Shores Library	<u>\$ 8,125</u>
Special Revenue Funds	
Human services	852,099
County roads and bridges	1,423,537
Aging services	170,269
Public health	269,613
Land information	153,055
Transit-bus operations	144,187
Jail assessment	408,575
Ozaukee County Fairgrounds	<u>35,050</u>
	<u>3,456,385</u>
Debt Service	<u>80,666</u>
Capital Projects Funds	
Capital reserve	920,021
Support services	999,144
Water projects	<u>343,387</u>
	<u>2,262,552</u>
Total Committed Fund Balances	<u><u>\$ 5,807,728</u></u>

ASSIGNED FUND BALANCES

Portions of governmental fund balances have been assigned to specific purposes by the Finance Committee. These amounts cannot be used for any other purpose unless the Finance Committee approves the change. At December 31, 2012, assigned fund balances consisted of the following:

General Fund	
Wisconsin coastal programs	\$ 609
WCA insurance	52,548
CEASE	600
DARE	105
SWAT	14,694
Tree programs	67,119
Prairie seed program	2,486
Rain barrels	938
Contingency Fin S/W	99
Total Assigned Fund Balances	<u><u>\$ 139,198</u></u>

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

8. Minimum Fund Balance Policy

The County has adopted the following fund balance policy:

In order to maintain sufficient cash reserves for working capital and emergency expenditures and to protect the County's Aaa bond rating, Ozaukee County has adopted the following minimum general fund balance policy: Ozaukee County will maintain a minimum unassigned general fund balance of 10% of the previous years' general fund gross expenditure budget and at least 12% combined unassigned funds of the general fund and special revenue funds of the prior year's combined expenditures.

Budgeted 2012 General Fund Expenditures	\$ 24,182,343
Minimum Total Unassigned Fund Balance	10%
10% of total budgeted General Fund Expenditures	<u>\$ 2,418,234</u>

2012 General Fund and Special Revenue Fund Expenditures	\$ 45,515,459
Minimum Total Unassigned Fund Balance	12%
12% of 2012 General Fund and Special Revenue Fund Expenditures	<u>\$ 5,461,855</u>

The General Fund unassigned fund balance on December 31, 2012 totaled \$5,850,462.

9. Component Unit

This report contains Ozaukee County Economic Development Corporation (OCEDC), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position 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

OCEDC follows the accrual basis of accounting wherein revenues and expenses are recorded in the period earned or incurred.

b. Deposits and Investments

At year-end, the carrying amount of OCEDC deposits was \$91,854 and the bank balance was \$91,854. The entire bank balance was covered by federal depository insurance.

OZAUKEE COUNTY, WISCONSIN

Notes to Basic Financial Statement

December 31, 2012

NOTE D - OTHER INFORMATION

1. Retirement Commitments

All eligible County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

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

	2012	
	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.9%	5.9%
Executives & Elected Officials	7.05%	7.05%
Protective with Social Security	5.9%	9.0%
Protective without Social Security	5.9%	11.3%

The payroll for County employees covered by the WRS for the year ended December 31, 2012 was \$27,324,567; the employer's total payroll was \$28,032,943. The total required contribution for the year ended December 31, 2012 was \$3,384,070, which consisted of \$1,768,684 or 6.47% of covered payroll from the employer, and \$1,615,386, or 5.91% of covered payroll from employees. Total contributions for the years ended December 31, 2011 and 2010 were \$2,223,970 and \$1,925,547, respectively, equal to the required contributions for each year.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE D - OTHER INFORMATION (Continued)

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application 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 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

2. Risk Management

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

- a. **Property and Liability Insurance** - The County is a member of the Wisconsin County Mutual Insurance Company (WCMIC). WCMIC was created by several governmental units within the State of Wisconsin to provide liability insurance services to its members. The County pays premiums to WCMIC for its liability insurance coverage. The actuary for CMIC determines charges to its members for the expected losses and loss adjustment expenses on which premiums are based. Premium charges for WCMIC are recorded as expenditures or expenses in various funds of the County. A separate financial report is issued annually by WCMIC.
- b. **Other Insurance** - The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are also recorded as expenditures or expenses in various funds of the County.

Claims and settlements related to the commercial insurance policies have not exceeded the coverage limits in the past three years.

OZAUKEE COUNTY, WISCONSIN
Notes to Basic Financial Statement
December 31, 2012

NOTE D - OTHER INFORMATION (Continued)

3. Operating Lease with Milwaukee Curlers Association, Inc.

Ozaukee County and the Milwaukee Curlers Association, Inc. entered into a twenty (20) year triple net lease in 2012 for a new multipurpose County facility with the option of an additional twenty (20) year renewal. The Curlers will have exclusive use of the building from October through March of the year in exchange for a \$50,000 annual payment and all costs associated with occupancy. The tenant has no provision for assignment or sublease.

Both parties have an obligation to escrow an annual amount for building maintenance and improvement. The escrow amount is \$5,000 for the first five (5) years, \$7,500 for the second five (5) years, \$15,000 for the third five (5) years, \$20,000 for the fourth five (5) years, and \$25,000 for the balance of the term. The County will be responsible for administering the funds and approving all repairs. The lessee's contribution is nonredeemable.

4. Contingencies

a. The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under OMB Circular A-133 has been conducted but final acceptance is still pending. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

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

5. Property Tax Levy Limit

Wisconsin state statute, Act 32, limits property tax levies for all Wisconsin cities, villages, town, counties and school districts. For 2012 budget year, the increase in the maximum allowable tax levy is limited to the percentage change in the County's January 1 equalized value as a result of new construction less improvements removed but not less than zero percent. Two exceptions allow for a greater increase. The first allows for the passage of a special referendum and the second is to cover any cost of a transfer of service between the County and a local government. An exception can also be made for debt service if it meets special qualifiers. The actual increase for the County for the 2012 budget was .71%. This was below net new construction, .96%.

6. Cumulative Effect of Change in Accounting Principle

The County has adopted GASB Statement No. 65, Items Previously reported as Assets and Liabilities, which requires debt issuance costs to be expensed in the period incurred, rather than recorded as assets and amortized over the life of the related debt issue. Financial statements for the year ended December 31, 2011 have not been restated. The cumulative effect of this change was to decrease the December 31, 2012 net position of the business-type activities and proprietary funds by \$35,098.

SUPPLEMENTARY INFORMATION

OZAUKEE COUNTY, WISCONSIN
Schedule of Revenues and Other Financing Sources
Budget to Actual
General Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Property	\$ 8,853,722	\$ 8,853,722	\$ 8,853,722	\$ -
County Sales	6,060,000	6,060,000	6,543,023	483,023
Managed Forest Land	300	300	355	55
Interest Delinquent	500,000	500,000	431,231	(68,769)
Penalty Delinquent	250,000	250,000	221,714	(28,286)
Use Value	2,500	2,500	2,159	(341)
Payment In Lieu In	5,200	5,200	5,042	(158)
Total Taxes	15,671,722	15,671,722	16,057,246	385,524
Intergovernmental				
Conservation Aid	233,962	262,814	135,050	(127,764)
Conservation Aid-River Protection	-	1,777	9,975	8,198
Conservation Aid-Wildlife Admin & Abate	20,971	20,971	12,661	(8,310)
Conservation Aid-WDATC	-	-	67,352	67,352
Court Support	227,724	227,724	226,993	(731)
Federal Aid Environmental Quality	25,000	25,000	24,750	(250)
Guardian Ad Litem	49,139	49,139	45,524	(3,615)
Interpreter Service	6,000	6,000	1,899	(4,101)
Other State Aid	3,890	3,890	20,267	16,377
Police Instruction	500	500	-	(500)
Probation and Parole	35,000	35,000	28,786	(6,214)
Snowmobile Trail Grant	46,590	46,590	23,950	(22,640)
State Aid	462,879	496,159	534,342	38,183
State Aid- Conservation	10,280	-	-	-
State Aid - EPCRA Equipment	8,000	8,000	8,605	605
State Aid - EPCRA Planning	18,975	18,975	19,240	265
State Aid - Grants	-	5,472	5,472	-
State Aid - Haz-Mat Preparedness Grant	-	1,424	682	(742)
State Aid - Homeland Security Grant	-	195,662	179,353	(16,309)
State Aid-WDNR Ozaukee Interurban Trail	-	120,000	-	(120,000)
State Aid - Training Grant	-	93,865	35,326	(58,539)
State Aid - Transportation	5,000	5,000	5,000	-
State Aid - Victim Witness	57,000	57,000	44,026	(12,974)
State Reimbursement Personal Property	65,000	65,000	69,278	4,278
State Shared Taxes	155,000	155,000	155,000	-
Veterans Service Trans Grant	1,000	1,000	1,232	232
Total Intergovernmental	1,431,910	1,901,962	1,654,763	(247,199)

(Continued)

OZAUKEE COUNTY, WISCONSIN
Schedule of Revenues and Other Financing Sources
Budget to Actual
General Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Charges For Services				
Birth Certificate Recoup	15,000	15,000	18,383	3,383
Civil Fees	62,500	62,500	54,392	(8,108)
Clerk of Court Fees Civil	55,000	55,000	59,123	4,123
Clerk of Court Fees Municipal	1,600	1,600	185	(1,415)
Clerk of Court Fees Tr/Cr	40,000	40,000	13,558	(26,442)
Clerk of Courts-Traffic Forfeiture	20,000	20,000	-	(20,000)
Coroner Fees	55,000	55,000	90,851	35,851
Corporation Counsel Fees	500	500	817	317
Family Court Counseling Fees	7,500	7,500	6,470	(1,030)
Federal Forfeiture Revenue	-	-	36,808	36,808
File Fees Juvenile Legal	500	500	318	(182)
File Fees Tr/Cr	125,000	125,000	80,434	(44,566)
Foreclosure	5,000	5,000	10,350	5,350
Garnishments	75	75	90	15
Genetic Testing Reimbursement	2,700	2,700	2,678	(22)
Guardian Ad Litem Reimbursement	95,000	95,000	148,208	53,208
Huber Prisoner Room and Board	308,500	308,500	289,506	(18,994)
Indigent Def Council Fees	75,000	75,000	46,126	(28,874)
Jury Fee	6,000	6,000	7,578	1,578
Land Division Review Fees	1,100	1,100	550	(550)
Meal Reimbursement	10,000	10,000	14,020	4,020
Mediation Fees	6,000	6,000	8,926	2,926
Nonmetallic Fees	1,400	1,400	1,365	(35)
Office Supplies	40	40	70	30
Other Public Charges	3,650	3,650	9,411	5,761
Park Admission Fees	10,750	10,750	14,513	3,763
Photocopy Revenue	400	400	514	114
POWTS Plan Review Fees	15,000	15,000	20,020	5,020
Print Services	300	300	251	(49)
Probate Fees	45,000	45,000	46,917	1,917
Program Fees	600	600	845	245
Psych Exam Reimbursement	4,000	4,000	1,980	(2,020)
Publications and Materials	200	200	773	573
Redaction Fees-Register of Deeds	100,000	100,000	-	(100,000)
Register of Deeds Fees	525,000	525,000	763,122	238,122
Rental County Property	2,500	2,500	7,444	4,944
Restitution	13,500	13,500	19,856	6,356
Sanitation Fees	5,000	5,000	4,540	(460)
Sanitation Maintenance Fee	1,500	1,500	2,070	570
Special Deputy Fees	-	-	507	507
Tire Collection Fees	800	800	1,684	884
Treasurer Fees	3,000	3,000	3,919	919
Tree Revenue	40,850	40,850	21,924	(18,926)
Vital Statistics Reimbursement	1,200	1,200	20	(1,180)
Warrants	5,000	5,000	7,590	2,590
Witness Fees	-	-	100	100
Zoning Fees	1,000	1,000	150	(850)
Total Charges for Services	1,672,665	1,672,665	1,818,956	146,291

(Continued)

OZAUKEE COUNTY, WISCONSIN
Schedule of Revenues and Other Financing Sources
Budget to Actual
General Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Intergovernmental Charges for Services				
Adult Prisoner Boarding	1,650,000	1,650,000	323,825	(1,326,175)
DNA Samples	2,000	2,000	500	(1,500)
Election Reimbursement	23,000	23,000	49,204	26,204
Inmate Prescriptions	20,000	20,000	16,303	(3,697)
Shooting Range Fees	2,500	2,500	4,200	1,700
Support Services-Thiensville	-	-	24,100	24,100
Transportation Reimbursement	175,000	175,000	23,070	(151,930)
Total Intergovernmental Charges for Services	1,872,500	1,872,500	441,202	(1,431,298)
Interdepartmental Charges for Services				
Child Support	54,000	54,000	57,390	3,390
Indirect Charges	225,000	225,000	200,000	(25,000)
Janitorial Rent	53,217	53,217	53,217	-
Labor For All Depts	1,500	1,500	-	(1,500)
Office Supplies	17,000	17,000	17,476	476
Photocopies	11,000	11,000	14,689	3,689
Postage	86,000	86,000	86,547	547
Printing	12,000	12,000	4,665	(7,335)
Sheriffs Department Service	1,500	1,500	2,409	909
Total Interdepartmental Charges for Services	461,217	461,217	436,393	(24,824)
Fines and Forfeits				
County Ordinance Fines	110,000	110,000	90,434	(19,566)
County Share State Fines	210,000	210,000	138,504	(71,496)
Total Fines and Forfeits	320,000	320,000	228,938	(91,062)
License and Permits				
Domestic Partnership	75	75	150	75
Marriage License	25,000	25,000	29,500	4,500
Nonmetallic Permits	440	440	1,210	770
Permit Use Fees	-	-	(50)	(50)
Sanitation Permits	54,000	54,000	62,800	8,800
Zoning Permits	14,000	14,000	18,966	4,966
Total License and Permits	93,515	93,515	112,576	19,061
Interest on Investments				
Change in Fair Value DANA	87,000	87,000	73,399	(13,601)
Interest Memorial Trust	-	-	88	88
Interest on Investments	120,000	120,000	81,843	(38,157)
Interest Revenue Clerk of	3,000	3,000	2,063	(937)
Interest Revenue Clerk of	125,000	125,000	58,432	(66,568)
Interest WCA Insurance Tr	1,000	1,000	115	(885)
Total Interest on Investments	336,000	336,000	215,940	(120,060)

(Continued)

OZAUKEE COUNTY, WISCONSIN
 Schedule of Revenues and Other Financing Sources
 Budget to Actual
 General Fund
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Other				
Discounts Taken	6,500	6,500	518	(5,982)
Gain Loss Fixed Assets Disposal	23,500	23,500	(126)	(23,626)
Insurance Refunds	-	-	22,309	22,309
Other Revenue	205,500	243,092	448,203	205,111
Other Revenue -Inter-Age	10,500	10,500	3,565	(6,935)
Profit on Tax Deeds	55,000	55,000	8,762	(46,238)
Rental of County Property	51,375	51,375	79,387	28,012
Telephone Commissions	200,005	200,005	103,045	(96,960)
Unclaimed Funds	-	-	7,202	7,202
Vending Commissions	600	600	222	(378)
Wage Assignment Fees	600	600	549	(51)
Total Other Revenues	553,580	591,172	673,636	82,464
Total Revenues	22,413,109	22,920,753	21,639,650	(1,281,103)
Other Financing Sources				
Transfers In	534,595	823,709	743,709	(80,000)
Total Revenues and Other Financing Sources	\$ 22,947,704	\$ 23,744,462	\$ 22,383,359	\$ (1,361,103)

OZAUKEE COUNTY, WISCONSIN
 Schedule of Expenditures and Other Financing Uses
 Budget to Actual
 General Fund
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures				
General Government				
County administrator	\$ 219,688	\$ 219,688	\$ 218,098	\$ 1,590
Regional Services	945,234	945,234	831,628	113,606
Shelter Care Advocates	-	-	23,625	(23,625)
Financial Software	50,000	50,000	10,219	39,781
General accounting	252,729	252,729	239,592	13,137
Payroll	142,651	142,651	141,867	784
Purchasing	81,131	81,131	67,803	13,328
Internal Audit	42,265	42,265	40,440	1,825
External Audit	25,000	25,000	25,517	(517)
Department Support HWY	163,548	163,548	163,987	(439)
Department Support HS	197,648	197,648	191,189	6,459
Department Services-Other	63,055	63,055	62,405	650
Human resources	291,118	291,118	273,553	17,565
Property and liability insurance	215,937	215,937	260,750	(44,813)
General Fund Miscellaneous	131,785	131,785	36,589	95,196
Budget/Grant /Project Mgmt	188,480	188,480	187,338	1,142
Corporation counsel	221,906	221,906	372,773	(150,867)
Radio Services	505,894	508,714	313,254	195,460
County Board	167,434	167,434	162,276	5,158
Legislative Support	141,972	141,972	130,320	11,652
County clerk	55,547	55,547	51,822	3,725
Elections	136,922	136,922	188,982	(52,060)
Central services	241,523	241,523	217,940	23,583
State Special Charges	1,200	1,200	366	834
Register of deeds	487,459	487,459	385,432	102,027
Web Development	9,851	9,851	9,187	664
County Treasurer	231,146	231,146	207,307	23,839
Property Taxes	12,275	12,275	17,655	(5,380)
Tax Deed	5,000	5,000	7,766	(2,766)
Assessment of Property	186,618	186,618	176,528	10,090
Coroner	132,738	132,738	111,950	20,788
Administration Center	572,710	572,710	479,660	93,050
Justice center	756,449	787,949	695,456	92,493
Advocates house	10,000	10,000	315	9,685
Fairgrounds	51,354	51,354	59,784	(8,430)
Clerk of courts	1,541,726	1,541,726	1,635,246	(93,520)
District attorney	390,801	390,801	378,768	12,033
Victim Witness Program	105,275	105,275	106,626	(1,351)
Total General Government	8,976,069	9,010,389	8,484,013	526,376

(Continued)

OZAUKEE COUNTY, WISCONSIN
Schedule of Expenditures and Other Financing Uses
Budget to Actual
General Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Public Safety				
Sheriff Administration	980,039	980,039	883,569	96,470
Patrol	2,270,055	2,270,055	2,526,627	(256,572)
Criminal Investigation	848,317	848,317	950,113	(101,796)
Snowmobile Law Enforcement	-	-	769	(769)
Support Service	1,553,749	1,553,749	1,461,443	92,306
Sheriff Fleet Management	233,545	233,545	227,629	5,916
Jail	4,758,557	4,758,557	4,511,586	246,971
Court Security	528,286	528,286	540,114	(11,828)
Emergency Management	186,637	186,637	169,802	16,835
Water Safety Patrol	29,085	29,085	20,734	8,351
EPCRA SARA	54,457	353,408	253,592	99,816
Total Public Safety	11,442,727	11,741,678	11,545,978	195,700
Health and Human Services				
Veterans service	140,907	140,907	157,216	(16,309)
Veterans relief	3,000	5,030	1,245	3,785
Child support	502,563	502,563	481,333	21,230
Total Health and Human Services	646,470	648,500	639,794	8,706
Transportation				
Sanitation inspector	129,832	129,832	126,894	2,938
Culture and Recreation				
Cultural and Recreation Grants	70,500	70,500	70,500	-
UW Extension	227,288	228,532	217,230	11,302
Youth service	2,750	2,750	1,323	1,427
Parks - Administration	211,908	215,308	217,737	(2,429)
Carlson Park Ice Center	4,500	14,000	2,752	11,248
Covered Bridge Park	17,683	17,683	13,899	3,784
Ehlers Park	16,483	17,883	13,433	4,450
Hawthorne Hills Park	10,513	11,513	8,868	2,645
HH Peters Youth Camp	16,638	16,638	23,436	(6,798)
Interurban Recreation Trail	19,000	162,200	45,223	116,977
Lions Den Park	23,306	38,606	15,259	23,347
Mee Kwon Park	7,584	13,284	10,089	3,195
Shady Lane Park	10,850	11,550	10,436	1,114
Snowmobile Trails	47,372	47,372	35,189	12,183
Tendick Park	27,360	31,160	23,593	7,567
Virmond Park	37,928	41,828	27,477	14,351
Waubedonia Park	46,944	48,644	49,767	(1,123)
Planning	111,817	144,517	69,688	74,829
Total Culture and Recreation	910,424	1,133,968	855,899	278,069

(Continued)

OZAUKEE COUNTY, WISCONSIN
Schedule of Expenditures and Other Financing Uses
Budget to Actual
General Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Conservation and Development				
Land Conservation	427,646	546,787	466,479	80,308
Gypsy Moth Suppression	6,056	6,056	5,676	380
Wildlife Admin and Abatement	20,544	20,544	12,242	8,302
Soil & Water Management	-	-	16	(16)
Grants to Organizations	23,625	23,625	-	23,625
Tree & Prairie Seed Program	45,226	45,226	32,055	13,171
Zoning	138,767	138,767	137,599	1,168
Nonmetallic Mining	2,398	2,398	2,476	(78)
Wisconsin Coastal	-	5,472	6,257	(785)
Total Conservation and Development	<u>664,262</u>	<u>788,875</u>	<u>662,800</u>	<u>126,075</u>
Capital Outlay				
Data Processing Equipment	159,701	204,369	154,417	49,952
Land	5,000	10,000	-	10,000
Other Moveable Equipment	20,000	44,065	28,757	15,308
Vehicles	195,100	195,100	172,695	22,405
Building Improvements	236,000	275,567	69,481	206,086
Total Capital Outlay	<u>615,801</u>	<u>729,101</u>	<u>425,350</u>	<u>303,751</u>
Total Expenditures	<u>23,385,585</u>	<u>24,182,343</u>	<u>22,740,728</u>	<u>1,441,615</u>
Other Financing Uses				
Transfer out	-	(258,747)	(546,247)	287,500
Total Expenditures and Other Financing Uses	<u>\$ 23,385,585</u>	<u>\$ 23,923,596</u>	<u>\$ 22,194,481</u>	<u>\$ 1,729,115</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Aging Services - To account for the Older Americans Act and Elderly Transportation programs operated by the County. Financing is provided by federal and state grants and property taxes.

ADRC - To account for the operations of the ADRC(Aging Disability Resource Center) program. Financing is provided by a combination of federal and state grants and charges for services.

Public Health - To account for the operations of the public health department. Financing is provided by a combination of federal and state grants, property taxes and charges for services.

Land Information - To account for specific grants associated with modernizing land records system.

Revolving Loans - To account for the receipt and disbursement of an economic revolving loan block grant.

Jail Commissary - To account for profits from inmate commissary sales.

Transit - Bus Operation - To account for operations of the Ozaukee Express Bus program. Financing is provided by federal and state aids.

Jail Assessment - To account for the operations of the Jail Assessment activity.

Ozaukee County Senior Conference - To account for the operations of the Ozaukee County Senior Conference Center.

Ozaukee County Fairgrounds - To account for the operations of the fairgrounds.

Criminal Justice Collaborative Council - To account for the operations of the Criminal Justice Collaborative Council.

Caregiver Coalition - To account for the Coalition of Caregivers.

DEBT SERVICE FUND

To account for the accumulation of resources used for the payment of general obligation bonds and notes issued by the County.

CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds. During 2012 the County used capital project funds for the following projects:

Bicycle Trail
Capital Reserve
Support Services
Water Projects

OZAUKEE COUNTY, WISCONSIN

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Special Revenue Funds					
	Aging Services	ADRC	Public Health	Land Information	Revolving Loans	Jail Commissary
ASSETS						
Cash and investments	\$ 40	\$ -	\$ 200	\$ -	\$ 216,160	\$ -
Receivables						
Taxes	80,661	-	651,697	-	-	-
Accounts	2,677	115,378	15,798	-	3,071,220	-
Due from other funds	143,730	-	266,070	153,055	-	119,510
Due from other governments	24,698	-	5,818	-	-	-
Prepays	-	-	-	-	-	52
TOTAL ASSETS	\$ 251,806	\$ 115,378	\$ 939,583	\$ 153,055	\$ 3,287,380	\$ 119,562
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Due to other funds	\$ -	\$ 79,656	\$ -	\$ -	\$ 2,414	\$ -
Unearned revenues	877	-	18,274	-	-	-
Total Liabilities	877	79,656	18,274	-	2,414	-
Deferred Inflows of Resources						
Property Taxes	80,661	-	651,696	-	-	-
Loans receivable	-	-	-	-	3,071,220	-
Total Deferred Inflows of Resources	80,661	-	651,696	-	3,071,220	-
Fund Balances						
Nonspendable	-	-	-	-	-	52
Restricted	-	35,722	-	-	213,746	119,510
Committed	170,268	-	269,613	153,055	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	170,268	35,722	269,613	153,055	213,746	119,562
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 251,806	\$ 115,378	\$ 939,583	\$ 153,055	\$ 3,287,380	\$ 119,562

(Continued)

OZAUKEE COUNTY, WISCONSIN

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Special Revenue Funds (Continued)					
	Transit-Bus Operations	Jail Assessment	Ozaukee Cty Senior Conference	Ozaukee Cty Fairgrounds	Criminal Justice Collaborative Council	Caregiver Coalition
ASSETS						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables						
Taxes	727,333	-	-	69,305	-	-
Accounts	-	-	-	-	17,947	-
Due from other funds	-	408,575	10,217	35,050	7,103	1,316
Due from other governments	679,623	-	-	-	-	-
Prepays	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,406,956	\$ 408,575	\$ 10,217	\$ 104,355	\$ 25,050	\$ 1,316
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Due to other funds	\$ 535,436	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-	-	-
Total Liabilities	535,436	-	-	-	-	-
Deferred Inflows of Resources						
Property Taxes	727,333	-	-	69,305	-	-
Loans receivable	-	-	-	-	-	-
Total Deferred Inflows of Resources	727,333	-	-	69,305	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	10,217	-	25,050	1,316
Committed	144,187	408,575	-	35,050	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	144,187	408,575	10,217	35,050	25,050	1,316
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,406,956	\$ 408,575	\$ 10,217	\$ 104,355	\$ 25,050	\$ 1,316

(Continued)

OZAUKEE COUNTY, WISCONSIN

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Capital Projects Funds					Total Nonmajor Governmental Funds
	Debt Service	Bicycle Trail	Capital Reserve	Support Services	Water Projects	
ASSETS						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,400
Receivables						
Taxes	15,000	-	-	-	-	1,543,996
Accounts	-	-	19,605	-	15,180	3,257,805
Due from other funds	80,666	-	900,416	999,145	-	3,124,853
Due from other governments	-	-	-	-	379,596	1,089,735
Prepays	-	-	-	-	-	52
TOTAL ASSETS	\$ 95,666	\$ -	\$ 920,021	\$ 999,145	\$ 394,776	9,232,841
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Due to other funds	\$ -	\$ 87,692	\$ -	\$ -	\$ 51,389	\$ 756,587
Unearned revenues	-	-	-	-	-	19,151
Total Liabilities	-	87,692	-	-	51,389	775,738
Deferred Inflows of Resources						
Property Taxes	15,000	-	-	-	-	1,543,995
Loans receivable	-	-	-	-	-	3,071,220
Total Deferred Inflows of Resources	15,000	-	-	-	-	4,615,215
Fund Balances						
Nonspendable	-	-	-	-	-	52
Restricted	-	-	-	-	-	405,561
Committed	80,666	-	920,021	999,145	343,387	3,523,967
Unassigned	-	(87,692)	-	-	-	(87,692)
Total Fund Balances (Deficits)	80,666	(87,692)	920,021	999,145	343,387	3,841,888
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 95,666	\$ -	\$ 920,021	\$ 999,145	\$ 394,776	\$ 9,232,841

OZAUKEE COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Special Revenue Funds						
	Aging Services	ADRC	Public Health	Land Information	Revolving Loans	Jail Commissary	Transit-Bus Operations
Revenues							
Taxes	\$ 89,388	\$ -	\$ 746,166	\$ -	\$ -	\$ -	\$ 727,796
Intergovernmental	311,689	873,954	314,313	325	-	-	2,862,721
Charges for services	117,062	-	122,580	170,469	-	-	706,500
Intergovernmental charges for services	-	-	34,840	-	-	-	-
Interdepartmental charges for services	23,115	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	3,062
Interest on investments	-	-	-	-	-	-	-
Interest on loans	-	-	-	-	179,618	-	-
Other	224	665	6,654	-	-	41,318	1,092
Total Revenues	541,478	874,619	1,224,553	170,794	179,618	41,318	4,301,171
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	55,522	-
Health and human services	589,378	838,897	1,331,165	-	-	-	-
Transportation	-	-	-	-	-	-	2,842,849
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	-	-	-	132,644	73,964	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay							
Capital outlay	-	-	-	4,550	-	-	1,596,325
Total Expenditures	589,378	838,897	1,331,165	137,194	73,964	55,522	4,439,174
Excess of Revenue Over (Under)							
Expenditures	(47,900)	35,722	(106,612)	33,600	105,654	(14,204)	(138,003)
Other Financing Sources (Uses)							
Long term debt issued	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing (Sources) Uses	-	-	-	-	-	-	-
Net Change in Fund Balances	(47,900)	35,722	(106,612)	33,600	105,654	(14,204)	(138,003)
Fund Balances (Deficits) -							
Beginning of Year	218,168	-	376,225	119,455	108,092	133,766	282,190
Fund Balances (Deficits) - End of Year	\$ 170,268	\$ 35,722	\$ 269,613	\$ 153,055	\$ 213,746	\$ 119,562	\$ 144,187

(Continued)

OZAUKEE COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Special Revenue Funds (Continued)					Debt Service	Bicycle Trail
	Jail Assessment	Ozaukee Cty Senior Conference	Ozaukee Cty Fairgrounds	Criminal Justice Collaborative Council	Caregiver Coalition		
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	56,189	500	-	-
Charges for services	102,672	13,055	53,163	-	510	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Interdepartmental charges for services	-	-	7,700	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interest on investments	-	-	-	-	-	1,649	-
Interest on loans	-	-	-	-	-	-	-
Other	-	150	-	10,156	1,620	188,069	-
Total Revenues	102,672	13,205	60,863	66,345	2,630	189,718	-
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and human services	-	13,285	-	40,194	1,656	-	-
Transportation	-	-	-	-	-	-	-
Culture and recreation	-	-	25,813	-	-	-	-
Conservation and development	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	765,000	-
Interest and fiscal charges	-	-	-	-	-	406,614	-
Capital outlay	-	-	-	-	-	-	7,802
Total Expenditures	-	13,285	25,813	40,194	1,656	1,171,614	7,802
Excess of Revenue Over (Under)							
Expenditures	102,672	(80)	35,050	26,151	974	(981,896)	(7,802)
Other Financing Sources (Uses)							
Long term debt issued	-	-	-	-	-	2,415,000	-
Payment to escrow agent	-	-	-	-	-	(2,584,890)	-
Transfers in	45,795	-	-	-	-	1,133,200	-
Transfers out	(121,957)	-	-	-	-	(150,200)	-
Total Other Financing (Sources) Uses	(76,162)	-	-	-	-	813,110	-
Net Change in Fund Balances	26,510	(80)	35,050	26,151	974	(168,786)	(7,802)
Fund Balances (Deficits) -							
Beginning of Year	382,065	10,297	-	(1,101)	342	249,452	(79,890)
Fund Balances (Deficits) - End of Year	\$ 408,575	\$ 10,217	\$ 35,050	\$ 25,050	\$ 1,316	\$ 80,666	\$ (87,692)

(Continued)

OZAUKEE COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Capital Projects Fund						Total Nonmajor Governmental Funds
	Capital Reserve	Technology	Tendick Park	Lions Den	Support Services	Water Projects	
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,563,350
Intergovernmental	1,482,910	-	-	-	178,697	2,372,637	8,453,935
Charges for services	-	-	-	-	-	3,846	1,289,857
Intergovernmental charges for services	-	-	-	-	-	-	34,840
Interdepartmental charges for services	7,092	-	-	-	-	-	37,907
Fines and forfeits	-	-	-	-	-	-	3,062
Interest on investments	-	-	-	-	31,439	-	33,088
Interest on loans	-	-	-	-	-	-	179,618
Other	-	-	-	-	207,224	135,993	593,165
Total Revenues	1,490,002	-	-	-	417,360	2,512,476	12,188,822
Expenditures							
Current							
General government	-	-	-	-	195,765	-	195,765
Public safety	-	-	-	-	-	-	55,522
Health and human services	-	-	-	-	-	-	2,814,575
Transportation	-	-	-	-	-	-	2,842,849
Culture and recreation	-	-	-	-	-	-	25,813
Conservation and development	-	-	-	-	-	2,349,469	2,556,077
Debt service							
Principal	-	-	-	-	-	-	765,000
Interest and fiscal charges	-	-	-	-	-	-	406,614
Capital outlay	13,959	-	-	-	4,619,841	-	6,242,477
Total Expenditures	13,959	-	-	-	4,815,606	2,349,469	15,904,692
Excess of Revenue Over (Under)							
Expenditures	1,476,043	-	-	-	(4,398,246)	163,007	(3,715,870)
Other Financing Sources (Uses)							
Long term debt issued	-	-	-	-	-	-	2,415,000
Payment to escrow agent	-	-	-	-	-	-	(2,584,890)
Transfers in	-	24,077	74,561	16,424	-	-	1,294,057
Transfers out	(1,219,362)	-	-	-	-	-	(1,491,519)
Total Other Financing (Sources) Uses	(1,219,362)	24,077	74,561	16,424	-	-	(367,352)
Net Change in Fund Balances	256,681	24,077	74,561	16,424	(4,398,246)	163,007	(4,083,222)
Fund Balances (Deficits) -							
Beginning of Year	663,340	(24,077)	(74,561)	(16,424)	5,397,391	180,380	7,925,110
Fund Balances (Deficits) - End of Year	\$ 920,021	\$ -	\$ -	\$ -	\$ 999,145	\$ 343,387	\$ 3,841,888

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Aging Services Special Revenue Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 89,388	\$ 89,388	\$ 89,388	\$ -
Intergovernmental	321,132	321,132	311,689	(9,443)
Charges for services	133,750	133,750	117,062	(16,688)
Interdepartmental charges for service	17,000	17,000	23,115	6,115
Other	3,000	3,000	224	(2,776)
Total Revenues	564,270	564,270	541,478	(22,792)
Expenditures				
Current				
Health and Human Services				
Administration	29,564	29,564	47,742	(18,178)
Congregate meals - mgmt	39,802	39,802	39,880	(78)
Congregate meal sites	157,537	157,537	155,928	1,609
Congregate meals - delivery	18,266	18,266	18,646	(380)
Home delivered meals - mgmt	45,911	45,911	41,841	4,070
Home delivered meals - operations	135,937	135,937	127,265	8,672
Home delivered meals - delivery	9,871	9,871	10,343	(472)
Elderly benefit assistance	86,797	86,797	85,539	1,258
Adult services	52,000	52,000	46,473	5,527
Information and assistance	18,586	18,586	15,721	2,865
Total Expenditures	594,271	594,271	589,378	4,893
Excess Revenues Under Expenditures	(30,001)	(30,001)	(47,900)	(17,899)
Other Financing Sources				
Transfer in	30,000	30,000	-	(30,000)
Net Change in Fund Balance	(1)	(1)	(47,900)	(47,899)
Fund Balance - Beginning of Year	218,168	218,168	218,168	-
Fund Balance - End of Year	\$ 218,167	\$ 218,167	\$ 170,268	\$ (47,899)

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

ADRC Special Revenue Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 838,148	\$ 838,148	\$ 873,954	\$ 35,806
Charges for services	150	150	-	(150)
Other	-	-	665	665
Total Revenues	838,298	838,298	874,619	36,321
Expenditures				
Current				
Health and Human Services	838,298	838,297	838,897	(600)
Net Change in Fund Balance	-	1	35,722	35,721
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ 1	\$ 35,722	\$ 35,721

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Public Health Special Revenue Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 746,166	\$ 746,166	\$ 746,166	\$ -
Intergovernmental	245,462	316,212	314,313	(1,899)
Charges for services	220,980	220,980	122,580	(98,400)
Intergovernmental charges	31,440	31,440	34,840	3,400
Interdepartmental charges for service	500	500	-	(500)
Other	16,000	16,000	6,654	(9,346)
Total Revenues	1,260,548	1,331,298	1,224,553	(106,745)
Expenditures				
Current				
Health and Human Services				
Administration	596,646	596,646	560,863	35,783
CDC cancer program	16,256	16,256	16,256	-
Lead	4,192	4,192	2,990	1,202
Prevention	-	7,480	4,235	3,245
Bioterrorism	72,699	72,699	72,699	-
DNR beach testing	16,060	16,060	17,282	(1,222)
Immunization	12,921	17,694	14,912	2,782
Maternal and child health	19,333	19,333	21,651	(2,318)
WIC program	105,000	108,270	106,170	2,100
Tobacco	-	60,000	60,000	-
Communicable disease	487,645	487,645	454,107	33,538
Capital outlay	5,700	5,700	-	5,700
Total Expenditures	1,336,452	1,411,975	1,331,165	80,810
Excess of Revenue Under Expenditures	(75,904)	(80,677)	(106,612)	(25,935)
Other Financing Sources (Uses)				
Transfer in	75,904	80,677	-	(80,677)
Transfer out	-	(4,773)	-	4,773
Total other financing sources	75,904	75,904	-	(75,904)
Net Change In Fund Balance	-	(4,773)	(106,612)	(101,839)
Fund Balance - Beginning of Year	376,225	376,225	376,225	-
Fund Balance - End of Year	\$ 376,225	\$ 371,452	\$ 269,613	\$ (101,839)

OZAUKEE COUNTY, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Land Information Special Revenue Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 300	\$ 300	\$ 325	\$ 25
Charges for services	135,940	135,940	170,469	34,529
Total Revenues	136,240	136,240	170,794	34,554
Expenditures				
Current				
Conservation and development	145,179	145,179	132,644	12,535
Capital Outlay	-	-	4,550	(4,550)
Total Expenditures	145,179	145,179	137,194	7,985
Excess of Revenue Over (Under) Expenditures	(8,939)	(8,939)	33,600	42,539
Other Financing Sources				
Transfer in	8,939	8,939	-	(8,939)
Net Change in Fund Balance	-	-	33,600	33,600
Fund Balance - Beginning of Year	119,455	119,455	119,455	-
Fund Balance - End of Year	\$ 119,455	\$ 119,455	\$ 153,055	\$ 33,600

OZAUKEE COUNTY, WISCONSIN
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Revolving Loans Special Revenue Fund
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest on Loans	\$ 125,352	\$ 125,352	\$ 179,618	\$ 54,266
Expenditures				
Current				
Conservation and development- revolving loans	3,000	3,000	73,964	(70,964)
Net Change in Fund Balance	122,352	122,352	105,654	(16,698)
Fund Balance - Beginning of Year	108,092	108,092	108,092	-
Fund Balance - End of Year	\$ 230,444	\$ 230,444	\$ 213,746	\$ (16,698)

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Jail Commissary Special Revenue Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ 66,408	\$ 66,408	\$ 41,318	\$ (25,090)
Expenditures				
Current				
Public safety	65,931	65,931	55,522	10,409
Net Change in Fund Balance	477	477	(14,204)	(14,681)
Fund Balance - Beginning of Year	133,766	133,766	133,766	-
Fund Balance - End of Year	\$ 134,243	\$ 134,243	\$ 119,562	\$ (14,681)

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Transit - Bus Operations Special Revenue Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 727,796	\$ 727,796	\$ 727,796	\$ -
Intergovernmental	1,644,866	1,644,866	2,862,721	1,217,855
Charges for services	549,200	549,200	706,500	157,300
Fines and forfeits	1,000	1,000	3,062	2,062
Other	11,250	11,250	1,092	(10,158)
Total Revenues	2,934,112	2,934,112	4,301,171	1,367,059
Expenditures				
Current				
Transportation				
Shared ride operations	1,761,851	1,761,851	1,745,051	16,800
Bus operations	1,162,260	1,162,260	1,097,798	64,462
Capital outlay	60,000	60,000	1,596,325	(1,536,325)
Total Expenditures	2,984,111	2,984,111	4,439,174	(1,455,063)
Excess of Revenue Under Expenditures	(49,999)	(49,999)	(138,003)	(88,004)
Other Financing Sources				
Transfer in	50,000	50,000	-	(50,000)
Net Change in Fund Balance	1	1	(138,003)	(138,004)
Fund Balance - Beginning of Year	282,190	282,190	282,190	-
Fund Balance - End of Year	\$ 282,191	\$ 282,191	\$ 144,187	\$ (138,004)

OZAUKEE COUNTY, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Jail Assessment Special Revenue Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 118,988	\$ 118,988	\$ 102,672	\$ (16,316)
Expenditures				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	118,988	118,988	102,672	(16,316)
Other Financing Sources (Uses)				
Transfer in	45,795	45,795	45,795	-
Transfers out	(45,795)	(76,162)	(121,957)	(45,795)
Total Other Financing Sources (Uses)	-	(30,367)	(76,162)	(45,795)
Net Change in Fund Balance	118,988	88,621	26,510	(62,111)
Fund Balance - Beginning of Year	382,065	382,065	382,065	-
Fund Balance - End of Year	\$ 501,053	\$ 470,686	\$ 408,575	\$ (62,111)

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Caregiver Coalition Special Revenue Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ -	\$ -	\$ 500	\$ 500
Public Charges For Services	-	-	510	510
Other revenues	-	-	1,620	1,620
Total Revenues	-	-	<u>2,630</u>	<u>2,630</u>
Expenditures				
Current				
Health and human services	-	-	1,656	(1,656)
Net Change in Fund Balance	-	-	974	974
Fund Balance - Beginning of Year	-	-	<u>342</u>	<u>342</u>
Fund Balance - End of Year	\$ -	\$ -	<u>\$ 1,316</u>	<u>\$ 1,316</u>

OZAUKEE COUNTY, WISCONSIN
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Criminal Justice Collaborative Council Special Revenue Fund
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ -	\$ -	\$ 56,189	\$ 56,189
Other revenues	-	-	10,156	10,156
Total Revenues	-	-	66,345	66,345
Expenditures				
Current				
Health and human services	-	-	40,194	(40,194)
Net Change in Fund Balance	-	-	26,151	26,151
Fund Balance - Beginning of Year	-	-	(1,101)	(1,101)
Fund Balance - End of Year	\$ -	\$ -	\$ 25,050	\$ 25,050

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Ozaukee County Senior Conference Special Revenue Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 14,200	\$ 14,200	\$ 13,055	\$ (1,145)
Other	-	-	150	150
Total Revenues	14,200	14,200	13,205	(995)
Expenditures				
Current				
Health and human services	14,200	14,200	13,285	915
Net Change in Fund Balance	-	-	(80)	(80)
Fund Balance - Beginning of Year	10,297	10,297	10,297	-
Fund Balance - End of Year	\$ 10,297	\$ 10,297	\$ 10,217	\$ (80)

OZAUKEE COUNTY, WISCONSIN
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Ozaukee County Fairgrounds Special Revenue Fund
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ -	\$ -	\$ 53,163	\$ 53,163
Interdepartmental charges for services	-	-	7,700	7,700
Total Revenues	-	-	60,863	60,863
Expenditures				
Current				
Culture and Recreation	-	-	25,813	(25,813)
Net Change in Fund Balance	-	-	35,050	35,050
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 35,050	\$ 35,050

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Debt Service Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ -	\$ -	\$ 1,649	\$ 1,649
Other Revenue	-	-	188,069	188,069
Total Revenues	-	-	189,718	189,718
Expenditures				
Debt Service				
Principal	774,700	774,700	765,000	(9,700)
Interest & Fiscal Charges	358,500	358,500	406,614	48,114
Total Expenditures	1,133,200	1,133,200	1,171,614	38,414
Excess of Revenues Over (Under) Expenditures	(1,133,200)	(1,133,200)	(981,896)	151,304
Other Financing Sources (Uses)				
Debt issued	-	-	2,415,000	2,415,000
Payment to Escrow Agent	-	-	(2,584,890)	(2,584,890)
Transfers in	1,133,200	1,133,200	1,133,200	-
Transfers out	-	-	(150,200)	(150,200)
Total Other Financing Sources (Uses)	1,133,200	1,133,200	813,110	(320,090)
Net Change in Fund Balance	-	-	(168,786)	(168,786)
Fund Balance - Beginning of Year	249,452	249,452	249,452	-
Fund Balance - End of Year	\$ 249,452	\$ 249,452	\$ 80,666	\$ (168,786)

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Bicycle Trail Capital Projects Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital Outlay	-	-	7,802	(7,802)
Net Change in Fund Balance	-	-	(7,802)	(7,802)
Fund Balance (Deficit) - Beginning of Year	(79,890)	(79,890)	(79,890)	-
Fund Balance (Deficit) - End of Year	\$ (79,890)	\$ (79,890)	\$ (87,692)	\$ (7,802)

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Capital Reserve Capital Projects Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ 1,482,910	\$ (17,090)
Interdepartmental charges for service	4,300	4,300	7,092	2,792
Total Revenues	<u>1,504,300</u>	<u>1,504,300</u>	<u>1,490,002</u>	<u>(14,298)</u>
Expenditures				
Capital outlay	-	-	13,959	(13,959)
Excess of Revenues Over Expenditures	<u>1,504,300</u>	<u>1,504,300</u>	<u>1,476,043</u>	<u>(28,257)</u>
Other Financing Uses				
Transfer out	<u>(1,104,300)</u>	<u>(1,104,300)</u>	<u>(1,219,362)</u>	<u>(115,062)</u>
Net Change in Fund Balance	400,000	400,000	256,681	(143,319)
Fund Balance - Beginning of Year	<u>663,340</u>	<u>663,340</u>	<u>663,340</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,063,340</u>	<u>\$ 1,063,340</u>	<u>\$ 920,021</u>	<u>\$ (143,319)</u>

OZAUKEE COUNTY, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Support Services Capital Projects Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 178,697	\$ 178,697
Interest	-	-	31,439	31,439
Other	-	-	207,224	207,224
Total Revenues	-	-	417,360	417,360
Expenditures				
General government	-	-	195,765	(195,765)
Capital outlay	-	-	4,619,841	(4,619,841)
Total Expenditures	-	-	4,815,606	(4,815,606)
Net Change in Fund Balance	-	-	(4,398,246)	(4,398,246)
Fund Balance - Beginning of Year	5,397,391	5,397,391	5,397,391	-
Fund Balance - End of Year	\$ 5,397,391	\$ 5,397,391	\$ 999,145	\$ (4,398,246)

OZAUKEE COUNTY, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Water Projects Capital Projects Fund

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,242,763	\$ 3,517,877	\$ 2,372,637	\$ (1,145,240)
Public charges	300	300	3,846	3,546
Other revenue	-	278,456	135,993	(142,463)
Total Revenues	3,243,063	3,796,633	2,512,476	(1,284,157)
Expenditures				
Conservation and development	3,238,093	3,791,663	2,349,469	1,442,194
Net Change in Fund Balance	4,970	4,970	163,007	158,037
Fund Balance - Beginning of Year	180,380	180,380	180,380	-
Fund Balance - End of Year	\$ 185,350	\$ 185,350	\$ 343,387	\$ 158,037

AGENCY FUNDS

OZAUKEE COUNTY, WISCONSIN
Schedule of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Sheriff Department Miscellaneous				
Assets				
Cash and investments	\$ 13,486	\$ 669,140	\$ 670,689	\$ 11,937
Liabilities				
Deposits	13,486	669,140	670,689	11,937
HHS for CSP Beneficiaries				
Assets				
Cash and investments	14,153	468,033	468,894	13,292
Liabilities				
Deposits	14,153	468,033	468,894	13,292
Clerk of Courts				
Assets				
Cash and investments	663,859	3,556,291	3,534,991	685,159
Liabilities				
Deposits	663,859	3,556,291	3,534,991	685,159
Jail Inmate's Account				
Assets				
Cash and investments	32,868	872,738	862,072	43,534
Liabilities				
Deposits	32,868	872,738	862,072	43,534
Aging Nutrition Program				
Assets				
Cash and investments	803	9,005	9,212	596
Liabilities				
Deposits	803	9,005	9,212	596
District Attorney Trust Accounts				
Assets				
Cash and investments	2,462	251	2,532	181
Liabilities				
Deposits	2,462	251	2,532	181
Employee Reimbursement Account				
Assets				
Cash and investments	45,068	209,311	209,733	44,646
Liabilities				
Deposits	45,068	209,311	209,733	44,646
Community for SS/SSI				
Assets				
Cash and investments	782	2,960	1,564	2,178
Liabilities				
Deposits	782	2,960	1,564	2,178

(Continued)

OZAUKEE COUNTY, WISCONSIN
Schedule of Changes in Assets and Liabilities (Continued)
Agency Funds
For the Year Ended December 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Employee Fund				
Assets				
Cash and investments	526	-	-	526
Liabilities				
Deposits	526	-	-	526
Lasata Resident Savings				
Assets				
Cash and investments	12,344	8,266	3,341	17,269
Liabilities				
Deposits	12,344	8,266	3,341	17,269
Clerk of Courts				
Assets				
Cash and investments	-	2,493	-	2,493
Liabilities				
Deposits	-	2,493	-	2,493
Golf Course Petty Cash				
Assets				
Cash and investments	-	9,328	-	9,328
Liabilities				
Deposits	-	9,328	-	9,328
Highway Petty Cash				
Assets				
Cash and investments	190	-	-	190
Liabilities				
Deposits	190	-	-	190
HHS Client Services				
Assets				
Cash and investments	-	11,556	-	11,556
Liabilities				
Deposits	-	11,556	-	11,556
Lasata Petty Cash				
Assets				
Cash and investments	-	777	-	777
Liabilities				
Deposits	-	777	-	777
Other				
Assets				
Accounts receivable	-	23,003	-	23,003
Liabilities				
Deposits	-	23,003	-	23,003
Total	\$ 786,541	\$ 5,843,152	\$ 5,763,028	\$ 866,665

Statistical Section

This part of Ozaukee County's comprehensive annual financial report presents thorough information as a framework for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial wellbeing of the county.

	<u>Pages</u>
<u>Contents</u>	
Financial Trends	
These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.	105 - 112
Revenue Capacity	
These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	113 - 115
Debt Capacity	
These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue new debt in the future.	116 - 119
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	120 - 125
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.	126 - 132

TABLE I

OZAUKEE COUNTY, WISCONSIN
 Net Position by Component
 Last Ten Fiscal Years

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities					
Net investment in capital assets	\$ 53,388,650	\$ 52,712,725	\$ 50,860,052	\$ 37,129,051	\$ 38,269,091
Restricted	857,464	110,044	-	1,039,593	974,003
Unrestricted	6,640,549	7,322,777	8,464,969	8,568,749	7,865,153
Total governmental activities net position	\$ 60,886,663	60,145,546	\$ 59,325,021	\$ 46,737,393	\$ 47,108,247
Business-type activities					
Net investment in capital assets	\$ 11,939,220	\$ 12,559,611	\$ 13,181,117	\$ 13,543,718	\$ 13,738,713
Restricted	-	-	-	-	-
Unrestricted	2,830,132	3,625,193	4,033,182	3,447,302	2,163,744
Total business-type activities net position	\$ 14,769,352	16,184,804	17,214,299	\$ 16,991,020	\$ 15,902,457
Primary government					
Net investment in capital assets	\$ 65,327,870	\$ 65,272,336	\$ 64,041,169	\$ 50,672,769	\$52,007,804
Restricted	857,464	110,044	-	1,039,593	974,003
Unrestricted	9,470,681	10,947,970	12,498,151	12,016,051	10,028,897
Total primary government net position	\$ 75,656,015	\$ 76,330,350	\$ 76,539,320	\$ 63,728,413	\$ 63,010,704
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities					
Net investment in capital assets	\$ 38,497,480	\$ 39,339,228	\$ 38,243,871	\$ 41,231,956	\$ 41,189,859
Restricted	1,203,485	1,162,862	1,199,218	3,529,029	3,600,277
Unrestricted	6,986,451	6,198,758	10,849,620	10,744,455	11,375,687
Total governmental activities net position	\$ 46,687,416	\$ 46,700,848	\$ 50,292,709	\$ 55,505,440	\$ 56,165,823
Business-type activities					
Net investment in capital assets	\$ 14,426,633	\$ 15,193,880	\$ 16,076,200	\$ 15,658,353	\$ 15,293,101
Restricted	-	-	-	-	0
Unrestricted	1,430,566	890,878	(967,967)	(1,079,320)	(355,581)
Total business-type activities net position	\$ 15,857,199	\$ 16,084,758	\$ 15,108,233	\$ 14,579,033	\$ 14,937,520
Primary government					
Net investment in capital assets	\$ 52,924,113	\$ 54,533,108	\$ 54,320,071	\$ 56,890,309	\$ 56,482,960
Restricted	1,203,485	1,162,862	1,199,218	3,529,029	3,600,277
Unrestricted	8,417,017	7,089,636	9,881,653	9,665,135	11,020,106
Total primary government net position	\$ 62,544,615	\$ 62,785,606	\$ 65,400,942	\$ 70,084,473	\$ 71,103,343

TABLE II
OZAUKEE COUNTY, WISCONSIN

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
General government	\$ 7,034,285	\$ 7,388,869	\$ 8,160,904	\$ 7,832,126	\$ 8,812,637	\$ 8,052,506	\$ 8,403,334	\$ 9,163,462	\$ 9,591,995	\$ 9,115,344
Public safety	9,932,435	10,907,999	11,949,638	11,419,080	11,762,204	12,136,093	12,097,692	12,671,263	10,150,542	12,549,843
Health and human services	20,712,508	21,052,130	22,130,882	24,047,450	24,940,849	20,868,100	16,557,976	16,021,959	14,619,815	14,300,564
Transportation	5,624,300	5,489,624	6,482,401	6,342,417	6,540,507	7,239,957	6,610,644	5,025,141	6,167,878	7,461,149
Culture and recreation	1,283,361	1,189,250	599,892	667,539	609,664	851,251	2,221,352	898,839	1,637,261	1,814,331
Conservation and development	1,104,984	1,488,418	1,489,627	1,011,673	1,139,836	693,059	1,382,718	3,037,653	4,247,756	3,244,606
Interest on debt	94,630	64,135	113,315	312,149	365,129	516,574	770,396	293,688	261,855	556,346
Total governmental activities expenses	\$ 45,786,503	\$ 47,580,425	\$ 50,926,659	\$ 51,632,434	\$ 54,170,826	\$ 50,357,540	\$ 48,044,112	\$ 47,112,005	\$ 46,677,102	\$ 49,042,183
Business-type Activities:										
Nursing Home	14,104,195	13,280,636	13,525,660	13,766,267	13,906,213	15,097,303	15,025,035	15,053,645	15,825,034	15,597,171
Highway department	7,185,774	7,108,921	7,307,186	8,530,210	10,493,900	9,701,780	8,650,834	10,707,954	9,642,701	9,042,591
Independent living facility	1,101,677	439,455	442,686	439,459	461,636	469,442	494,897	505,458	544,172	566,453
Golf course	2,169,064	1,735,055	1,731,885	1,793,055	1,851,405	1,710,705	1,677,171	1,616,404	1,627,866	1,781,589
Lasata RCAC	-	-	-	-	-	36,667	448,431	1,271,821	2,082,956	2,095,996
Total business-type activities expenses	24,560,710	22,564,067	23,007,417	24,528,991	26,713,154	27,015,897	26,296,368	29,155,282	29,722,729	29,083,800
Total primary government expenses	\$ 70,347,213	\$ 70,144,492	\$ 73,934,076	\$ 76,161,425	\$ 80,883,980	\$ 77,373,437	\$ 74,340,480	\$ 76,267,287	\$ 76,399,831	\$ 78,125,983
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,853,577	\$ 2,681,811	\$ 2,269,877	\$ 2,183,493	\$ 2,185,992	\$ 2,059,715	\$ 2,248,982	\$ 2,269,784	\$ 2,264,647	\$ 2,330,937
Public safety	2,345,020	2,856,018	2,984,744	2,430,798	2,727,600	2,899,563	2,652,199	2,719,752	2,143,699	932,003
Health and human services	2,693,708	2,791,167	2,847,812	3,054,892	2,765,033	1,751,680	2,354,740	2,366,890	1,237,234	900,295
Transportation	580,017	643,673	366,112	432,337	583,237	501,588	451,747	495,383	526,240	709,562
Culture and recreation	64,208	207,756	82,584	81,147	77,112	65,868	70,440	81,479	67,885	27,840
Conservation and development	317,543	225,993	362,903	363,627	306,049	245,553	246,913	274,763	1,805,454	2,676,155
Operating grants and contributions	16,455,765	15,978,349	17,265,941	18,402,586	18,662,121	15,767,246	12,906,082	13,834,525	11,812,035	12,787,190
Capital grants and contributions	-	-	-	-	-	200,000	100,000	-	3,737,100	1,307,499
Total governmental activities program revenues	25,309,838	25,384,767	26,179,973	26,948,880	27,307,144	23,491,213	21,031,103	22,042,576	23,594,294	21,671,481

(continued)

TABLE II
OZAUKEE COUNTY, WISCONSIN
 Changes in Net Position
 Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues (continued)										
Business-type activities:										
Charges for services:										
Nursing Home	11,103,869	12,103,639	12,029,993	12,265,409	12,014,866	12,792,170	12,576,189	13,667,893	14,225,342	13,476,800
Highway department	6,290,275	6,689,346	6,873,674	7,916,940	10,094,899	9,145,791	8,679,656	9,857,524	9,091,481	9,032,623
Independent living facility	699,187	717,556	715,850	714,787	725,484	757,300	761,827	792,077	816,572	851,154
Golf course	1,594,933	1,510,949	1,674,761	1,546,851	1,564,363	1,533,144	1,808,235	1,806,577	1,672,521	2,158,177
Lasata RCAC	-	-	-	-	-	1,083	9,445	543,968	1,889,283	2,361,128
Operating grants and contributions	1,388,889	1,359,765	1,653,583	1,052,239	1,204,045	2,076,891	1,923,013	1,453,523	1,491,128	1,597,468
Total business-type activities program revenues	21,077,153	22,381,255	22,947,861	23,496,226	25,603,657	26,306,379	25,758,365	28,121,562	29,186,327	29,477,350
Total primary government program revenues	\$ 46,386,991	\$ 47,766,022	\$ 49,127,834	\$ 50,445,106	\$ 52,910,801	\$ 49,797,592	\$ 46,789,468	\$ 50,164,138	\$ 52,780,621	\$ 51,148,831
Net (Expense) Revenue										
Government activities	\$ (20,476,665)	\$ (22,195,658)	\$ (24,746,686)	\$ (24,683,554)	\$ (26,863,682)	\$ (26,866,327)	\$ (27,013,009)	\$ (25,069,429)	\$ (23,082,808)	\$ (27,370,702)
Business-type activities	(3,483,557)	(182,812)	(59,556)	(1,032,765)	(1,109,497)	(709,518)	(538,003)	(1,033,720)	(236,402)	393,550
Total primary government net expense	\$ (23,960,222)	\$ (22,378,470)	\$ (24,806,242)	\$ (25,716,319)	\$ (27,973,179)	\$ (27,575,845)	\$ (27,551,012)	\$ (26,103,149)	\$ (23,319,210)	\$ (26,977,152)
General Revenues and Other Changes in Net Position										
Government activities:										
Taxes										
Property taxes	\$ 14,559,355	\$ 14,721,303	\$ 15,322,553	\$ 15,743,149	\$ 17,248,859	\$ 17,441,473	\$ 18,285,905	\$ 18,773,090	\$ 18,526,837	\$ 19,154,359
Property taxes for debt service	-	-	265,000	490,918	756,924	592,767	316,191	239,191	4,543	-
Sales and other taxes	5,843,151	6,079,722	6,484,164	6,525,218	6,649,658	6,831,989	6,451,111	6,767,698	6,939,281	7,202,740
Unrestricted grants and contributions	-	-	430,953	1,123,595	1,117,364	1,112,756	1,796,255	1,754,818	1,750,335	155,000
Investment earnings	474,891	548,697	684,162	1,271,922	1,373,768	825,844	616,915	333,743	490,552	249,028
Gain on sale of capital assets	-	-	-	32,636	33,077	-	21,610	-	29,895	-
Miscellaneous	-	-	539,329	181,217	54,886	50,667	149,065	94,413	254,096	1,269,958
Transfers	(984,376)	104,819	200,000	500,000	-	(410,000)	(610,611)	-	300,000	-
Total Governmental Activities	\$ 19,893,021	\$ 21,454,541	\$ 23,926,161	\$ 25,868,655	\$ 27,234,536	\$ 26,445,496	\$ 27,026,441	\$ 27,962,953	\$ 28,295,539	\$ 28,031,085

(continued)

TABLE II
OZAUKEE COUNTY, WISCONSIN

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Program Revenues (continued)										
Business-type Activities:										
Property taxes	787,959	1,689,881	1,272,989	1,291,402	-	228,252	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	10,667	11,015	6,320	9,092	7,291	23,508	154,860	57,195	7,202	35
Gain on sale of capital assets	2,982	2,187	9,742	8,992	13,643	2,500	91	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	984,375	(104,819)	(200,000)	(500,000)	-	410,000	610,611	-	(300,000)	-
Total Business-type Activities	1,785,983	1,598,264	1,089,051	809,486	20,934	664,260	765,562	57,195	(292,798)	35
Total Primary Government	\$ 21,679,004	\$ 23,052,805	\$ 25,015,212	\$ 26,678,141	\$ 27,255,470	\$ 27,109,756	\$ 27,792,003	\$ 28,020,148	\$ 28,002,741	\$ 28,031,120
Change in Net Position										
Governmental Activities	\$ (583,644)	\$ (741,117)	\$ (820,525)	\$ 1,185,101	\$ 370,854	\$ (420,831)	\$ 13,432	\$ 2,893,524	\$ 5,212,731	\$ 660,383
Business-type Activities	(1,697,573)	1,415,452	1,029,495	(223,279)	(1,088,563)	(45,258)	227,559	(976,525)	(529,200)	393,585
Total Primary Government	\$ (2,281,217)	\$ 674,335	\$ 208,970	\$ 961,822	\$ (717,709)	\$ (466,089)	\$ 240,991	\$ 1,916,999	\$ 4,683,531	\$ 1,053,968

TABLE III
OZAUKEE COUNTY, WISCONSIN
 Net Changes in Fund Balance, Governmental Funds
 Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 20,771,420	\$ 21,219,868	\$ 22,071,717	\$ 22,760,544	\$ 24,656,845	\$ 24,868,454	\$ 25,055,353	\$ 25,783,342	\$ 25,475,899	\$ 26,357,099
Intergovernmental	16,460,662	16,114,730	17,692,424	19,511,278	19,773,055	17,091,577	14,754,338	15,339,788	17,941,835	16,653,912
Charges for services	4,956,111	4,828,800	4,787,254	5,138,899	4,623,911	4,037,154	4,614,829	4,596,780	3,488,150	3,697,948
Intergovernmental charges for services	1,521,959	1,692,780	1,961,617	1,364,334	1,771,051	1,868,609	1,891,992	1,940,103	1,532,264	476,042
Interdepartmental charges for services	947,932	930,402	919,864	826,470	816,181	614,906	468,965	497,417	491,558	474,300
Fines and forfeits	348,363	326,477	348,112	340,745	338,254	321,361	302,734	324,159	244,335	232,000
Licenses and permits	145,369	169,029	129,004	155,135	130,914	100,007	93,072	95,057	109,807	112,576
Principal of loans	-	249,990	-	-	-	-	-	-	-	-
Interest on investments	474,891	385,864	663,319	1,316,861	1,339,365	825,796	616,915	334,448	289,817	249,028
Interest on loans	-	13,703	20,843	35,638	31,811	37,819	106,904	76,113	218,295	179,618
Other	560,528	903,706	1,368,816	1,096,238	1,094,473	696,240	770,794	988,903	1,867,959	1,270,043
Total revenues	46,187,235	46,835,349	49,962,970	52,546,142	54,575,860	50,461,923	48,675,896	49,976,110	51,659,923	49,702,566
Expenditures										
General government	6,462,956	6,915,122	7,028,109	7,176,784	7,604,248	7,695,266	7,662,860	8,397,684	8,638,333	8,679,778
Public safety	10,212,107	10,354,105	10,594,461	10,562,507	11,089,981	11,310,427	11,454,634	11,660,118	11,741,275	11,601,500
Health and human services	20,625,929	20,950,378	22,581,980	23,970,411	24,705,588	20,785,136	16,539,097	16,047,228	14,597,950	14,516,178
Transportation	5,097,172	4,129,766	5,356,573	6,749,074	8,227,958	7,028,851	7,046,135	7,218,195	7,471,141	7,130,560
Culture and recreation	1,234,541	1,072,392	621,297	669,492	633,962	728,818	821,438	810,366	793,218	881,712
Conservation and development	1,099,966	1,487,058	1,306,397	1,083,950	1,632,975	948,035	1,382,718	3,037,362	4,247,178	3,218,877
Debt service										
Principal	1,593,698	148,000	160,000	100,000	3,123,667	676,747	2,616,586	768,508	3,331,492	765,000
Interest and fiscal charges	94,630	64,135	113,315	200,142	351,754	319,819	306,231	294,172	318,663	406,614
Capital outlay	428,206	1,796,782	1,278,778	1,998,822	3,833,821	2,060,807	2,797,611	1,862,774	3,718,157	6,673,690
Total Expenditures	46,849,205	46,917,738	49,040,910	52,511,182	61,203,954	51,553,906	50,627,310	50,096,407	54,857,406	53,873,909
Excess (deficit) of revenues over expenditures	(661,970)	(82,389)	922,060	34,960	(6,628,094)	(1,091,983)	(1,951,414)	(120,297)	(3,197,483)	(4,171,343)
Other Financing Sources (Uses)										
Long-term debt issued	3,130,000	-	780,000	4,345,000	2,300,000	-	2,250,000	4,740,000	4,600,000	2,415,000
Payment to escrow agent	-	-	-	-	-	-	-	-	-	(2,584,890)
Bond premium	-	-	-	-	-	-	-	219,395	-	-
Transfers in	793,005	1,717,327	1,741,146	700,770	859,945	2,859,423	3,974,396	7,314,565	4,076,800	2,037,766
Transfers out	(1,926,047)	(1,608,349)	(1,541,146)	(200,770)	(859,945)	(3,269,423)	(4,585,007)	(7,314,565)	(3,776,800)	(2,037,766)
Total other financing sources (uses)	1,996,958	108,978	980,000	4,845,000	2,300,000	(410,000)	1,639,389	4,959,395	4,900,000	(169,890)
Net change in fund balances	\$ 1,334,988	\$ 26,589	\$ 1,902,060	\$ 4,879,960	\$ (4,328,094)	\$ (1,501,983)	\$ (312,025)	\$ 4,839,098	\$ 1,702,517	\$ (4,341,233)
Debt service as a percentage of noncapital expenditures	3.6%	0.5%	0.6%	0.6%	5.7%	2.0%	6.5%	2.4%	7.7%	1.7%

TABLE IV

OZAUKEE COUNTY, WISCONSIN
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2011	2012
General Fund								
Reserved for								
Prepaid items	\$ 29,824	\$ 140,694	\$ 310,216	\$ 223,471	\$ 34,000	\$ 143,984	\$ -	\$ -
Delinquent property taxes	905,742	944,173	888,278	898,744	1,077,531	1,428,634	-	-
Unreserved								
Designated	736,192	604,064	452,612	602,220	615,000	358,655	-	-
Undesignated, reported in General Fund	4,751,613	5,371,361	6,263,992	7,395,426	7,706,305	7,746,357	-	-
Nonspendable								
Prepaid Items	-	-	-	-	-	-	591,798	677,932
Delinquent Property Taxes	-	-	-	-	-	-	1,908,228	1,764,175
Restricted for General Fund	-	-	-	-	-	-	113,283	123,496
Committed for General Fund	-	-	-	-	-	-	8,125	8,125
Assigned for General Fund	-	-	-	-	-	-	398,988	139,198
Unassigned for General Fund	-	-	-	-	-	-	6,446,582	5,850,462
Total General Fund	\$ 6,423,371	\$ 7,060,292	\$ 7,915,098	\$ 9,119,861	\$ 9,432,836	\$ 9,677,630	\$ 9,467,004	\$ 8,563,388
Department of Human Services Special Revenue Fund								
Restricted								
Prepaid items	\$ 2,863	\$ 2,923	\$ 14,295	\$ 42,463	\$ 60,589	\$ 15,641	\$ -	\$ -
Unreserved								
Designated	713,290	657,775	1,287,132	241,537	9,000	-	-	-
Undesignated Special Revenue Fund	-	-	(14,920)	333,307	204,544	(223,012)	-	-
Nonspendable								
Prepaid Items	-	-	-	-	-	-	2,821	5,182
Committed for Human Services	-	-	-	-	-	-	878,181	852,099
Total Dept of Human Services Special Revenue Fund	\$ 716,153	\$ 660,698	\$ 1,286,507	\$ 617,307	\$ 274,133	\$ (207,371)	\$ 881,002	\$ 857,281
All Other Governmental Funds								
Reserved For								
Prepaid items	\$ 857,464	\$ 110,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved								
Designated for All Other Governmental Funds	3,870,221	4,014,760	4,837,399	9,068,785	5,002,573	3,913,704	-	-
Undesignated reported in Special Revenue Fund	(48,004)	-	(56,236)	(56,242)	(276,215)	(452,619)	-	-
Undesignated reported in Debt Service Fund	-	-	(8,315)	-	-	-	-	-
Undesignated reported in Capital Projects Fund	-	-	(226,599)	(121,897)	(133,607)	(133,607)	-	-
Nonspendable								
Prepaid Items	-	-	-	-	-	-	1,286	52
Restricted For								
Special Revenue Funds	-	-	-	-	-	-	469,379	405,561
Committed For								
Special Revenue Funds	-	-	-	-	-	-	7,650,498	4,947,504
Unassigned								
Special Revenue Funds	-	-	-	-	-	-	(196,053)	(87,692)
Total all other governmental funds	\$ 4,679,681	\$ 4,124,804	\$ 4,546,249	\$ 8,890,646	\$ 4,592,751	\$ 3,327,478	\$ 7,925,110	\$ 5,265,425

TABLE V
OZAUKEE COUNTY, WISCONSIN

GOVERNMENT WIDE REVENUES BY SOURCE*
LAST TEN FISCAL YEARS

FISCAL YEAR	OPERATING REVENUES									
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PROPERTY TAXES	SALES TAXES	GRANTS NOT SPECIFIC FUNCTION	INVESTMENT EARNINGS	GAIN ON SALE OF CAPITAL ASSETS	Misc.	TOTAL
2003	\$ 28,542,337	\$ 17,839,218	\$ 5,436	\$ 15,347,314	\$ 5,843,151	\$ -	\$ 485,558	\$ 2,982	\$ -	\$ 68,065,996
2004	30,427,908	17,338,114	-	16,411,184	6,079,722	-	559,712	2,187	-	70,818,827
2005	30,208,310	18,919,524	-	17,271,229	6,073,477	430,953	690,482	9,742	539,329	74,143,046
2006	30,990,281	19,454,825	-	17,525,469	6,038,667	1,123,595	1,281,014	41,628	181,217	76,636,696
2007	32,966,615	19,864,463	-	18,005,783	6,093,338	1,117,364	1,378,453	31,775	58,178	79,515,969
2008	31,843,038	18,044,137	-	18,034,240	6,281,891	1,112,756	849,352	27,882	50,667	76,243,963
2009	31,860,373	14,829,095	100,000	18,602,096	5,883,390	1,796,255	771,775	21,701	149,065	74,013,750
2010	34,876,090	15,288,048	-	19,012,281	6,767,698	1,754,818	390,938	-	94,413	78,184,286
2011	35,740,358	13,303,163	3,737,100	18,531,380	6,939,281	1,750,355	497,754	29,895	554,096	81,083,382
2012	35,456,374	14,384,658	1,307,499	19,154,359	6,543,022	155,000	249,028	-	1,929,676	79,179,616

**TABLE VI
OZAUKEE COUNTY, WISCONSIN**

GENERAL REVENUE BY SOURCE (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL TAXES	INTERGOVERNMENTAL REVENUES	CHARGES FOR SERVICES	FINES FORFEITS AND PENALTIES	LICENSES AND PERMITS	INTEREST REVENUE	OTHER REVENUES	TOTAL
2003	21,559,379	16,292,254	22,718,041	348,363	152,319	482,356	5,240,318	66,793,030
2004	22,909,775	15,998,203	23,886,496	326,477	177,799	660,572	2,383,123	66,342,445
2005	23,344,706	17,362,684	24,438,242	348,112	137,394	843,989	3,935,755	70,410,882
2006	24,051,946	18,558,683	23,851,776	340,745	165,145	1,518,455	2,175,816	70,662,566
2007	24,656,844	18,941,273	24,684,587	338,254	136,004	1,427,602	4,688,766	74,873,330
2008	24,868,454	15,942,332	27,950,908	321,361	100,007	830,234	4,396,954	74,410,250
2009	25,055,353	13,225,397	24,924,580	302,734	93,072	878,679	5,160,385	69,640,200
2010	25,783,342	14,125,375	33,306,312	324,159	95,057	466,086	2,097,189	76,197,520
2011	25,475,903	15,167,079	32,671,941	244,335	109,087	490,550	2,451,644	76,610,539
2012	26,357,099	12,619,668	31,986,540	232,000	112,576	249,028	2,485,532	74,042,443

(1) This summary includes revenue of the General Fund, Special Revenue Funds, Debt Service Fund, and operating and non-operating revenues of the Enterprise and Internal Service Funds. It excludes Capital Projects, Agency Funds, and interfund transfers.

**TABLE VII
OZAUKEE COUNTY, WISCONSIN**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

TAX BUDGET YEAR	TOTAL TAX LEVY	CURRENT TAX YEAR DELINQUENT	CURRENT TAX YEAR COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTED	TOTAL TAX COLLECTIONS	RATIO OF ALL YEARS COLLECTION	ALL YEARS OUTSTANDING DELINQUENT TAXES (1)	RATIO OF DELINQUENT TAXES TO TOTAL TAX LEVY (1)
2003	152,954,723	1,181,734	151,772,989	99.23%	1,038,354	152,811,343	99.24%	905,742	0.59%
2004	159,831,947	979,071	158,852,876	99.39%	1,124,493	159,977,369	99.36%	801,625	0.50%
2005	163,640,669	1,165,983	162,474,686	99.29%	1,146,539	163,621,225	99.37%	888,278	0.54%
2006	175,465,680	1,143,143	174,622,537	99.52%	1,023,756	175,646,293	99.51%	898,743	0.51%
2007	177,997,443	1,676,182	176,321,261	99.06%	1,435,780	177,757,041	99.22%	1,077,531	0.61%
2008	186,118,203	1,944,028	184,174,175	98.96%	1,616,175	185,790,350	99.08%	1,428,634	0.77%
2009	191,499,606	2,346,153	189,153,453	98.77%	1,872,034	191,025,487	98.86%	1,845,980	0.96%
2010	196,994,489	2,504,176	194,487,313	98.73%	2,108,871	196,596,184	98.69%	2,145,990	1.09%
2011	198,317,819	2,096,649	196,221,170	98.94%	2,337,914	198,559,084	98.82%	1,908,228	0.96%
2012	196,190,902	1,668,353	194,522,549	99.15%	2,081,390	196,603,939	99.02%	1,764,175	0.90%

(1) Results available as of date of audit (February), all other columns represented as of 12/31

Total tax collections solely for Ozaukee County were:

2002	14,316,096	2006	17,525,469	2010	18,771,987
2003	14,756,123	2007	17,704,271	2011	18,307,796
2004	15,076,944	2008	18,094,477	2012	19,171,255
2005	15,750,700	2009	18,375,023		

TABLE VIII
OZAUKEE COUNTY, WISCONSIN
PROPERTY TAX RATE
OPERATING AND DEBT LEVY (1)
LAST TEN FISCAL YEARS

TAX YEAR ENDED DECEMBER 31	COUNTY LEVY			EQUALIZED VALUATION (2)	COUNTY TAX RATES (1)
	NON DEBT SERVICE	DEBT SERVICE	TOTAL		
2003	12,914,745	-	12,914,745	8,337,740,000	1.93
2004	16,412,419	-	16,412,419	9,048,598,800	1.94
2005	16,595,542	265,000	16,860,542	9,698,555,200	1.83
2006	17,034,551	490,918	17,525,469	10,456,971,900	1.78
2007	16,615,152	1,391,324	18,006,476	11,150,793,000	1.69
2008	17,263,726	998,766	18,262,492	11,214,460,600	1.61
2009	17,484,538	996,191	18,480,729	11,209,930,400	1.63
2010	17,992,881	1,019,400	19,012,281	11,016,945,200	1.68
2011	18,115,073	923,664	19,038,737	10,621,925,500	1.74
2012	18,020,009	1,133,200	19,153,209	10,530,359,400	1.77

1. The tax rates are expressed as dollars per \$1,000 equalized valuation. Prior to 2005 all debt was attributed to the proprietary funds and paid with operating profits.

2. Excluding personal property and the following tax incremental district values for tax years:

2003	172,746,500	2008	228,986,522
2004	199,624,500	2009	319,354,000
2005	202,930,200	2010	315,847,700
2006	205,836,175	2011	324,591,000
2007	235,956,900	2012	161,820,900

TABLE IX
OZAUKEE COUNTY, WISCONSIN

State, Municipal, Utility, and School District Underlying Tax - 10 Yr, Equalized Rate

TAX DISTRICT	SCHOOL DISTRICT	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
		Belgium, Town	1945 NO	12.8228	13.0986	14.3626	13.9628	16.6451	10.8147	12.6988	15.1718
	1029CG	11.4336	13.0363	12.5513	12.5799	15.2187	9.7375	11.9018	13.2440	12.9089	13.1432
	4641RL	10.2787	11.5465	10.8851	11.4869	14.2811	8.1441	11.3539	13.0407	12.5583	12.8094
Cedarburg, Town	1015C	14.7945	14.3709	14.6409	14.2221	14.8809	14.7548	14.3527	15.1421	14.4051	14.7825
	2217G	14.9703	15.5295	14.7623	14.8708	15.8405	15.0018	14.8854	15.4740	15.3308	16.3323
Fredonia, Town	1945NO	15.2491	14.8928	15.3643	14.9057	14.9872	11.4163	13.2300	15.2135	14.8702	15.3560
	4641RL	12.3474	13.2171	11.7920	12.3985	12.9125	8.7366	11.8829	13.0822	12.9333	13.2135
Grafton, Town	1015C	18.5617	12.9154	13.2733	13.2309	13.2385	11.1720	14.1010	14.8457	14.075	14.6895
	2217G	18.7908	13.9729	13.4361	13.8423	14.1026	14.1421	14.6339	15.1774	15.0261	16.2434
	4515PW	18.0469	13.5758	13.0821	12.9853	12.9999	12.9785	13.0978	13.8669	13.8909	14.8449
Port Washington, T.	4515PW	14.2646	14.6082	14.4574	13.8730	13.4996	10.6617	13.7015	14.2966	14.2777	14.895
Saukville, Town	1945NO	11.3552	12.0432	12.5344	12.7294	12.5494	12.5067	13.0397	15.0596	14.6388	15.2681
	4515PW	11.7917	12.8847	12.0097	12.4824	12.5494	11.5859	12.9019	13.6468	13.5439	14.3801
Bayside, Village*	1890FP	20.1906	20.5908	19.3713	18.9269	29.9433	17.2668	21.2555	22.2708	22.7069	19.6897
Belgium, Village	2177N	16.5418	16.8696	15.8706	15.5064	24.5320	14.1464	17.4142	18.2460	18.6033	16.1314
	1029CG	15.7261	16.8821	15.6374	15.4546	15.6115	12.9620	15.4570	16.3328	13.5254	16.7978
Fredonia, Village	1945NO	17.9316	17.6474	19.3905	18.3557	18.5992	14.7369	16.3162	18.2991	17.8854	18.5740
Grafton, Village	1015C	18.7561	18.0148	18.2607	15.3297	15.6220	16.4083	18.2800	19.1056	18.3752	19.1589
	2217G	18.9339	19.1298	18.3753	15.8542	16.3719	16.3653	18.8127	19.4376	19.327	20.7036
Newburg, Village	1945NO	16.9571	17.0504	17.5538	16.3555	16.1046	17.3734	16.9614	18.7608	18.7864	18.9402
Saukville, Village	1945NO	19.5070	19.2697	19.9043	15.1516	15.5366	16.6759	17.0752	19.5010	19.2721	20.0378
	4515PW	19.4350	20.1843	19.3294	15.0315	15.6905	15.4240	16.9374	18.1040	18.1678	19.0450
	2217G	20.0148	20.6209	19.7109	13.2184	16.6340	16.4138	18.4733	19.4145	19.3031	20.4363
Thiensville, Village	3479MT	18.8532	19.3358	19.9351	19.8357	19.8705	20.2497	18.2222	18.8075	18.8041	19.7069
Cedarburg, City	1015C	20.4515	19.8875	16.1143	16.0373	16.1382	18.3041	18.2434	19.0036	18.3785	18.9168
	3479MT	18.6542	18.8396	16.0849	15.7841	15.3058	15.7292	17.0722	17.5798	17.5085	18.2771
Mequon, City	1015C	14.6433	15.2795	15.1743	14.4459	15.5213	15.1987	15.1135	15.8112	15.0165	15.6225
	3479MT	15.4650	16.4000	17.0622	16.1471	14.2700	14.2571	15.7936	16.2889	16.1713	15.8332
Port Washington, City	4515PW	20.8757	17.9293	16.8583	15.9525	16.5560	16.2641	16.5870	17.2597	17.0761	17.9069

* Includes a Utility taxing district

Rate Per \$1,000 of assessed valuation net of Wisconsin school tax credit

Source: Bureau of Property Tax, Wisconsin Department of Revenue

TABLE X
OZAUKEE COUNTY, WISCONSIN
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Equalized Valued	\$ 8,626,695	\$ 9,390,562	\$ 10,079,844	\$ 10,603,430	\$ 11,139,704	\$ 11,214,461	\$ 11,209,930	\$ 11,016,945	\$ 10,621,926	\$ 10,345,569
Legal Debt Limit (5%)	431,335	469,528	503,992	530,172	556,985	560,723	560,497	550,847	531,096	517,278
Amount of Debt Applicable to Limitation										
General Obligation Bonds:										
Governmental	-	-	-	4,345	4,190	3,965	3,730	7,225	11,220	10,470
Proprietary	2,755	2,465	2,585	1,850	1,515	11,165	10,800	10,410	10,000	9,615
General Obligation Notes:										
Governmental	3,130	2,982	3,182	3,502	2,833	2,382	2,250	2,726	-	-
Proprietary	1,200	820	420	-	-	-	-	-	-	-
Unfunded Pension Liability	-	-	-	-	-	-	-	-	-	-
Total General Obligation Debt	7,085	6,267	6,187	9,697	8,538	17,512	16,780	20,361	21,220	20,085
Less: Amount Available for financing general obligation debt										
Debt Service Fund Reserves	857	110	-	225	442	39	509	3309	99	81
Net Outstanding GO Debt Applicable to Debt Limitation	\$ 6,228	\$ 6,157	\$ 6,187	\$ 9,472	\$ 8,096	\$ 17,473	\$ 16,271	\$ 17,052	\$ 21,121	\$ 20,004
Percent of Debt to Legal Limit	1.44%	1.31%	1.23%	1.79%	1.45%	3.12%	2.90%	3.10%	3.98%	3.87%
Legal Margin for New Debt	\$ 425,107	\$ 463,371	\$ 497,805	\$ 520,700	\$ 548,889	\$ 543,250	\$ 544,226	\$ 533,795	\$ 509,975	\$ 497,274
Percentage of legal margin remaining	98.56%	98.69%	98.77%	98.21%	98.55%	96.88%	97.10%	96.90%	96.02%	96.13%

All dollar amounts are represented in thousands.

Wisconsin State Statute 67.03 limits total debt be no greater than 5% of the equalized real property of the county.

TABLE XI
OZAUKEE COUNTY, WISCONSIN
RATIO OF NET GENERAL OBLIGATION DEBT
TO EQUALIZED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN FISCAL YEARS
ALL GENERAL OBLIGATION DEBT IS COMPRISED OF BONDS, NO NOTES PAYABLE

Bond rating Aaa

FISCAL YEAR	POPULATION (1)	PER CAPITA PERSONAL INCOME	EQUALIZED VALUATION (2)	GENERAL GOV. DEBT	PROPRIETARY DEBT PAYABLE FROM REVENUES (3)	LESS DEBT SERVICE FUND	RATIO OF GOV DEBT TO EQUALIZED VALUE	GOV. DEBT PER CAPITA	GOV. DEBT % OF INCOME	PROP. DEBT PER CAPITA	PROP. DEBT % OF INCOME
2004	85,658	34,184	9,390,562,200	2,982,000	3,285,000	110,044	0.031%	33.53	0.10%	38.35	0.11%
2005	85,787	34,881	10,079,843,800	3,602,000	2,585,000	-	0.036%	41.99	0.12%	30.13	0.09%
2006	86,389	35,593	10,456,971,900	7,847,000	1,850,000	225,453	0.073%	88.22	0.25%	21.41	0.06%
2007	86,697	36,305	11,139,703,800	7,023,333	1,515,000	441,956	0.059%	75.91	0.21%	17.47	0.05%
2008	85,874	38,895	11,214,460,600	5,861,586	11,650,000	39,755	0.052%	67.80	0.17%	135.66	0.35%
2009	85,452	38,074	11,053,112,400	5,980,000	10,800,000	509,158	0.049%	64.02	0.17%	126.39	0.33%
2010	85,554	39,441	10,642,346,700	9,951,492	10,410,000	376,657	0.090%	111.92	0.28%	121.68	0.31%
2011	86,395	39,778	10,246,339,400	11,220,000	10,000,000	99,252	0.109%	128.72	0.32%	115.75	0.29%
2012	86,823	41,272	10,183,748,800	10,470,000	9,615,000	80,666	0.102%	119.66	0.29%	110.74	0.27%

(1) Source: US Census Bureau

(2) Includes the following tax incremental district values:

2003	\$ 172,746,500	2007	\$ 235,956,900	2011	\$ 324,591,000
2004	199,624,500	2008	228,986,522	2012	161,820,900
2005	202,930,200	2009	319,354,000		
2006	205,836,175	2010	315,847,700		

(3) Includes Lasata Campus and Mee-Kwon golf course.

TABLE XII
OZAUKEE COUNTY, WISCONSIN
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 GENERAL DEBT TO TOTAL GENERAL GOVERNMENT EXPENDITURES (1)
 LAST TEN FISCAL YEARS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE EXPENDITURES	TOTAL GENERAL GOVERNMENT EXPENDITURES (2)	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENT EXPENDITURES
2002	-	-	-	42,055,335	0.00%
2003	-	49,358	49,358	46,126,691	0.11%
2004	148,000	64,109	212,109	45,055,228	0.47%
2005	160,000	120,515	280,515	46,375,436	0.60%
2006	100,000	157,150	257,150	50,540,483	0.51%
2007	401,667	351,754	753,421	53,078,169	1.42%
2008	676,747	319,819	996,566	50,801,922	1.96%
2009	1,054,960	678,832	1,733,792	47,421,697	3.66%
2010	768,508	732,017	1,500,525	50,794,858	2.95%
2011*	3,328,398	783,214	4,111,612	50,131,802	8.20%
2012	1,165,000	795,731	1,960,731	53,873,910	3.64%

(1) General obligation debt reported in the proprietary funds has been excluded

(2) This summary includes expenditures of the General Fund, Special Revenue Funds, Debt Service Fund, and operating and nonoperating expenses of the Enterprise and Internal Service Funds. It excludes Capital Project Funds, Trust and Agency Funds.

2011* Including \$2,726,492 defeasance from 2010 refinancing.

**TABLE XIII
OZAUKEE COUNTY, WISCONSIN**

COMPUTATION OF DIRECT, OVERLAPPING AND UNDERLYING DEBT
December 31, 2012

	NUMBER OF TAXING ENTITIES	AMOUNT OF DEBT NET OF SINKING FUNDS	APPLICABLE TO OZAUKEE COUNTY	
			PERCENT*	AMOUNT
Ozaukee County:				
Total General Obligation Debt				\$ 20,085,000
Less: Amount available in Debt Service Fund				80,666
Debt Payable from Proprietary Funds				9,615,000
Net General Obligation Debt				10,389,334
OVERLAPPING DEBT:				
Milwaukee Area Technical College	1	106,445,000	10.50%	11,176,725
Lakeshore Technical College	1	20,055,000	4.00%	802,200
Total Overlapping Debt	2	86,390,000	13.87%	11,978,925
UNDERLYING DEBT:				
Cities	3	61,705,896	100.00%	61,705,896
Villages	7	64,141,811	100.00%	64,141,811
Towns	6	2,831,194	100.00%	2,831,194
School Districts	8	67,305,757	94.00%	63,267,412
Sanitary Districts	2	849,182,000	1.00%	8,491,820
Total Underlying Debt	26	1,045,166,658		200,438,133
TOTAL DIRECT GENERAL OBLIGATION, OVERLAPPING AND UNDERLYING DEBT				\$ 222,806,392

* Overlap percentage is based upon the number Ozaukee County residents served as a percentage of total population served.

**TABLE XIV
OZAUKEE COUNTY, WISCONSIN**

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION (1)	PER CAPITA INCOME (2)	TOTAL PERSONAL INCOME	SCHOOL ENROLLMENT (3)	UNEMPLOYMENT RATE (4)
2003	84,516	33,500	2,831,286,000	15,553	4.6%
2004	85,160	34,184	2,911,109,440	16,003	3.6%
2005	85,787	34,881	2,992,336,347	16,103	4.1%
2006	86,389	35,593	3,074,843,677	15,995	4.1%
2007	86,697	36,305	3,147,534,585	17,026	3.2%
2008	85,874	38,895	3,340,069,230	15,893	3.7%
2009	85,452	38,074	3,253,499,448	15,944	7.4%
2010	85,554	39,441	3,374,335,314	15,643	6.7%
2011	86,395	36,267	3,133,287,465	15,266	6.2%
2012	86,823	41,272	3,583,358,856	15,316	5.5%

DATA SOURCE

- (1) US Census
- (2) US Department of Commerce Bureau of Economic Analysis, Census Bureau
- (3) Wisconsin Department of Public Instruction
- (4) US Department of Labor, Bureau of Labor Statistics

**TABLE XV
OZAUKEE COUNTY, WISCONSIN**

**ASSESSED AND EQUALIZED VALUES OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

BUDGET YEAR	TAX YEAR	REAL ESTATE VALUE	PERSONAL PROPERTY VALUE	TOTAL EQUALIZED VALUE (1)	EQUALIZED VALUE PERCENT CHANGE	ASSESSED VALUATION (2)	RATIO OF ASSESSED VALUATION TO EQUALIZED VALUE	Tax Rate (3)
2003	2004	8,304,158,700	149,789,900	8,453,948,600	7.11	8,020,327,926	94.87	1.97
2004	2005	9,038,155,000	152,782,700	9,190,937,700	8.72	8,518,089,670	92.68	1.86
2005	2006	9,734,525,500	145,693,800	9,880,219,300	7.50	8,839,362,664	89.47	1.81
2006	2007	10,456,971,900	146,458,100	10,603,430,000	7.32	9,306,957,901	87.77	1.72
2007	2008	11,139,703,800	147,777,500	11,287,481,300	6.45	9,389,203,527	83.18	1.62
2008	2009	11,054,066,100	155,864,300	11,214,460,600	-0.65	9,952,150,920	88.74	1.63
2009	2010	11,053,112,400	145,657,900	11,198,770,300	-0.14	10,602,601,647	94.68	1.68
2010	2011	10,642,346,700	159,271,200	10,801,617,900	-3.68	10,645,728,500	98.56	1.74
2011	2012	10,562,187,100	144,290,400	10,706,477,500	-4.53	10,816,657,142	101.03	1.77
2012	2013	10,191,843,500	153,726,200	10,345,569,700	-7.62	10,857,876,590	104.95	2.12

Property taxes are applied against the equalized value.

(1) Equalized value represents the most recent physical reassessment adjusted by any annual property appreciation to bring it to current estimated market value. Does include tax incremental districts.

(2) Assessed valuation represents the most recent physical reassessment. The state of Wisconsin encourages a reassessment when the assessed valuation falls below 70% of the equalized valuation.

(3) Per \$1,000 of equalized real estate value. Operating levy \$2.12 countywide, does not include \$.28 for shared library to non-library communities for shared library services.

TABLE XVI
OZAUKEE COUNTY, WISCONSIN
EQUALIZED PROPERTY VALUE AND NEW CONSTRUCTION
LAST TEN FISCAL YEARS
(Dollars in Thousands)

FISCAL YEAR	New construction (1)				Equalized Property Values (2)					Tax Rate (3)
	COMMERCIAL	RESIDENTIAL	MANUFAC-TURING	TOTAL	COMMERCIAL	RESIDENTIAL	MANUFAC-TURING	AGRICULTURE, FORREST, & OTHER	TOTAL	
2003	25,965,100	167,925,900	2,155,100	196,046,100	1,073,785,900	6,806,090,200	282,422,000	141,860,600	8,304,158,700	1.94
2004	51,185,900	189,954,200	5,517,600	246,657,700	1,173,374,600	7,439,983,600	289,564,700	135,232,100	9,038,155,000	1.83
2005	40,875,800	170,729,100	7,360,200	218,965,100	1,229,263,500	8,066,694,200	293,081,400	145,486,400	9,734,525,500	1.78
2006	22,833,300	238,233,000	1,657,500	262,723,800	1,280,868,500	8,716,442,700	294,995,900	164,664,800	10,456,971,900	1.69
2007	47,945,800	236,953,600	1,025,400	285,924,800	1,407,096,100	9,286,329,200	274,456,600	171,821,900	11,139,703,800	1.61
2008	45,586,300	137,609,100	4,146,300	187,341,700	1,495,355,100	9,266,786,900	277,090,800	175,227,800	11,214,460,600	1.63
2009	33,560,000	100,889,200	2,364,800	136,814,000	1,554,312,800	9,080,926,000	255,585,800	162,287,800	11,053,112,400	1.68
2010	22,555,200	62,220,500	3,545,300	88,321,000	1,551,970,300	8,700,126,800	241,100,800	149,148,800	10,642,346,700	1.74
2011	33,078,500	40,381,000	602,500	74,062,000	1,543,000,800	8,614,281,200	239,092,400	149,241,900	10,545,616,300	1.77
2012	17,478,100	48,058,900	793,300	66,330,300	1,496,285,300	8,313,428,900	232,765,700	149,363,600	10,191,843,500	1.77

(1) Wisconsin Department of Revenue, Bureau of Equalization. This table excludes tax exempt property values. Equalized value is the assessed value adjusted by the current prevailing market price for similar property.

(2) The value of tax exempt property is unavailable for all years. Property Values include real estate only, personal property values are excluded and untaxed by the County.

(3) Per \$1,000 of equalized value. Operating levy \$1.74 countywide, does not include \$.27 to non-library communities for shared library services.

Wisconsin County Tax Levy Rankings 2012

County	(1) Average Home Value	County	(2) Total Levy Rate	County	Tax on Avg. Home	Sales Tax .05%
WAUKESHA	262,200	OZAUKEE	1.77	ONEIDA	342.62	Yes
OZAUKEE	255,600	VILAS	1.92	VILAS	371.22	Yes
DANE	230,800	WAUKESHA	1.97	IRON	421.87	Yes
WASHINGTON	228,000	ONEIDA	2.00	OZAUKEE	434.47	Yes
ST CROIX	225,700	DANE	2.54	MARINETTE	436.66	Yes
PIERCE	200,200	SAWYER	2.67	GRANT	440.46	Yes
WALWORTH	198,000	WASHINGTON	2.86	SAWYER	447.84	Yes
VILAS	194,900	BURNETT	2.99	BURNETT	465.28	Yes
DOOR	189,500	BAYFIELD	3.10	CHIPPEWA	470.84	Yes
JEFFERSON	182,500	CHIPPEWA	3.28	BAYFIELD	493.32	Yes
KENOSHA	182,400	RACINE	3.29	WAUKESHA	505.17	NONE
COLUMBIA	177,500	DOOR	3.43	EAU CLAIRE	514.11	Yes
RACINE	175,700	WALWORTH	3.52	ASHLAND	514.65	Yes
ONEIDA	172,800	EAU CLAIRE	3.52	RUSK	523.22	Yes
POLK	170,300	ST CROIX	3.53	LA CROSSE	523.91	Yes
SAWYER	168,200	LA CROSSE	3.62	DOUGLAS	528.69	Yes
SAUK	166,400	GRANT	3.78	WOOD	534.25	Yes
MILWAUKEE	165,700	JEFFERSON	3.95	FOREST	559.88	Yes
BURNETT	159,100	MARINETTE	3.98	RACINE	564.74	NONE
CALUMET	158,700	WASHBURN	4.02	LANGLADE	570.09	Yes
BAYFIELD	157,300	IRON	4.10	PRICE	571.87	Yes
BROWN	156,100	KENOSHA	4.25	DANE	575.66	Yes
DODGE	155,900	DOUGLAS	4.26	WASHBURN	596.10	Yes
IOWA	155,500	SAUK	4.27	BARRON	599.35	Yes
OUTAGAMIE	153,500	BROWN	4.29	MENOMINEE	603.85	NONE
DUNN	152,700	COLUMBIA	4.37	SHAWANO	616.90	Yes
SHEBOYGAN	151,100	CALUMET	4.41	JUNEAU	640.23	Yes
GREEN	150,300	OUTAGAMIE	4.44	WASHINGTON	640.71	Yes
LA CROSSE	148,700	MILWAUKEE	4.45	DOOR	649.76	Yes
WASHBURN	148,400	BARRON	4.62	MANITOWOC	653.66	NONE
EAU CLAIRE	147,200	WOOD	4.70	VERNON	657.95	Yes
CHIPPEWA	146,300	POLK	4.74	OUTAGAMIE	664.17	NONE
OCONTO	146,300	PORTAGE	4.74	CALUMET	664.41	NONE
KEWAUNEE	144,400	OCONTO	4.74	PORTAGE	667.98	Yes
PORTAGE	143,100	FOREST	4.77	OCONTO	676.06	Yes
FOND DU LAC	143,000	RUSK	4.88	BROWN	676.65	NONE
MARQUETTE	141,000	SHAWANO	5.01	WALWORTH	678.56	Yes
WINNEBAGO	140,500	SHEBOYGAN	5.10	SAUK	687.27	Yes
MARATHON	139,500	ASHLAND	5.13	MARATHON	699.22	Yes
PEPIN	138,500	MARATHON	5.15	JEFFERSON	701.54	Yes
ROCK	138,000	PIERCE	5.18	MONROE	703.03	Yes
GREEN LAKE	137,500	VERNON	5.22	LINCOLN	710.82	Yes
WAUPACA	137,100	MANITOWOC	5.29	MILWAUKEE	725.40	Yes
WAUSHARA	136,600	LANGLADE	5.29	FLORENCE	726.72	Yes
BARRON	134,500	GREEN	5.36	RICHLAND	734.59	Yes
TREMPEALEAU	132,800	FOND DU LAC	5.37	TREMPEALEAU	734.87	Yes
VERNON	131,700	PRICE	5.37	GREEN LAKE	738.94	Yes
LINCOLN	131,300	IOWA	5.44	FOND DU LAC	742.60	Yes
ADAMS	130,700	GREEN LAKE	5.53	BUFFALO	745.27	Yes
BUFFALO	130,600	JUNEAU	5.56	CRAWFORD	745.94	Yes
DOUGLAS	130,200	DODGE	5.62	SHEBOYGAN	754.36	NONE
MONROE	126,800	LINCOLN	5.65	COLUMBIA	757.07	Yes
SHAWANO	125,100	TREMPEALEAU	5.66	CLARK	758.92	Yes
MANITOWOC	124,000	WINNEBAGO	5.76	JACKSON	765.96	Yes
RICHLAND	123,000	MONROE	5.79	KENOSHA	768.47	Yes
JACKSON	121,400	WAUPACA	5.80	WAUPACA	776.42	Yes
TAYLOR	120,100	BUFFALO	5.94	GREEN	780.26	Yes
FLORENCE	123,700	WAUSHARA	5.98	ST CROIX	792.95	Yes
GRANT	118,300	ROCK	6.00	WAUSHARA	798.63	Yes
FOREST	117,900	RICHLAND	6.16	POLK	800.88	Yes
LAFAYETTE	117,700	FLORENCE	6.32	WINNEBAGO	801.48	NONE
WOOD	116,500	JACKSON	6.48	ROCK	810.23	Yes
CRAWFORD	113,900	MARQUETTE	6.50	LAFAYETTE	821.02	Yes
JUNEAU	112,500	CRAWFORD	6.68	IOWA	835.45	Yes
PRICE	111,500	PEPIN	6.83	DODGE	863.50	Yes
CLARK	110,900	DUNN	6.88	TAYLOR	881.15	Yes
RUSK	110,200	CLARK	6.99	MARQUETTE	893.55	Yes
MARINETTE	109,700	LAFAYETTE	7.16	ADAMS	907.61	Yes
LANGLADE	107,500	ADAMS	7.23	PEPIN	942.51	Yes
IRON	106,700	KEWAUNEE	7.48	DUNN	1,020.05	Yes
ASHLAND	103,000	TAYLOR	7.51	KEWAUNEE	1,037.92	NONE
MENOMINEE	92,600	MENOMINEE	8.13	PIERCE	1,051.90	Yes

(1) Home Value based on 2010 US Census Bureau

(2) Levy Rate based on 2011 Wisconsin Department of Revenue (Operational & Debt)

Average Ozaukee
Debt Levy as Percentage of Total 9.6% 7.5%

Averages	
Avg. Tax	\$ 673.80
Oz under avg.	\$ 239.33
% under Avg.	55.1%

Ozaukee County without Sales Tax		Rank
Rate	\$ 2.37	4
Average Home Property Tax	\$ 589.98	23
Annual equivalent purchases subject to sales taxable	\$ 31,102	

**TABLE XVIII
OZAUKEE COUNTY, WISCONSIN**

**TEN PRINCIPAL TAXPAYERS
DECEMBER 31, 2012**

NAME	Rank	2012		Rank	2011	
		ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE		ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE
CENTRO BRADLEY SPE 1LLC	1	\$30,633,000	19.75%	1	\$35,082,300	21.04%
KTR WIS II LLC	2	\$18,503,700	11.93%			
HTA-WISCONSIN MOB 2 LLC	3	18,257,100	11.77%	3	18,257,100	10.95%
INLAND AMERICA, LLC	4	15,424,300	9.94%	7	12,627,900	7.57%
ST. MARY'S HOSPITAL OF MILWAUKEE	5	14,649,200	9.44%	2	19,764,900	11.85%
AMC Holding LLC	6	12,671,300	8.17%			
COSTCO WHOLESALE CORP	7	12,137,700	7.83%	9	12,137,700	7.28%
CENTERPOINT PROPERTIES TRUST	8	11,774,700	7.59%	6	12,639,000	7.58%
CHARTER MFG COMPANY INC	9	10,582,600	6.82%	5	15,462,200	9.27%
SCHMIDT MEQUON, LLC	10	10,475,800	6.75%	10	9,991,900	5.99%
CJF 4, LLC			0.00%	4	18,210,400	10.92%
GLEN OAKS OFFICE PARK LLC			0.00%	8	12,570,600	7.54%
TOTALS		\$ 155,109,400	100.00%		166,744,000	100.0%

TABLE XIX
OZAUKEE COUNTY, WISCONSIN
TEN PRINCIPAL INDUSTRIES AND COMMERCIAL ENTITIES

EMPLOYER	2012	NUMBER OF EMPLOYEES	Percentage of Total County Employment
Columbia St Mary's Group	1	950	1.99%
Concordia University Wisconsin Inc	2	850	1.78%
Rockwell Automation Inc	3	800	1.67%
County of Ozaukee	4	725	1.52%
Charter Mfg Co Inc	5	625	1.31%
Kleen Test Products	6	575	1.20%
Mequon-Thiensville Public School	7	550	1.20%
Aurora Advanced Healthcare Inc	8	525	1.10%
Cedarburg School District	9	475	0.99%
Pace Industries LLC	10	400	0.84%

EMPLOYER	2011	NUMBER OF EMPLOYEES	Percentage of Total County Employment
Columbia St Mary's Group	1	950	1.99%
Concordia University Wisconsin Inc	2	850	1.78%
Rockwell Automation Inc	3	800	1.67%
County of Ozaukee	4	750	1.57%
Charter Mfg Co Inc	5	625	1.31%
Kleen Test Products	6	575	1.20%
Mequon-Thiensville Public School	7	550	1.20%
Aurora Advanced Healthcare Inc	8	525	1.10%
Cedarburg School District	9	475	0.99%
Pace Industries LLC	10	400	0.84%

EMPLOYER	2010	NUMBER OF EMPLOYEES	Percentage of Total County Employment
Columbia St Mary's Group	1	950	1.99%
Concordia University Wisconsin Inc	2	850	1.78%
Rockwell Automation Inc	3	800	1.67%
County of Ozaukee	4	750	1.57%
Charter Mfg Co Inc	5	625	1.31%
Kleen Test Products	6	575	1.20%
Mequon-Thiensville Public School	7	550	1.15%
Aurora Advanced Healthcare Inc	8	525	1.10%
Cedarburg School District	9	475	0.99%
Pace Industries LLC	10	400	0.84%

EMPLOYER	Rank 2009	NUMBER OF EMPLOYEES	Percentage of Total County Employment
Columbia St Mary's Group	1	988	2.07%
Leggett & Platt Inc	2	830	1.74%
County of Ozaukee	3	750	1.57%
Rockwell Automation Inc	4	635	1.33%
Charter Mfg Co Inc	5	625	1.31%
Concordia University Wisconsin Inc	6	600	1.25%
Mequon-Thiensville Public School	7	550	1.15%
Cedarburg School District	8	500	1.05%
Port Washington-Sauville School	9	425	0.89%
Meridian Industries Inc	10	260	0.54%

Source: Southeastern Wisconsin Regional Planning Commission, Multi-jurisdictional Comprehensive Plan and individual employers
 Space constraints and the relative stability of employers ranking make more than 4 years data not cost beneficial.

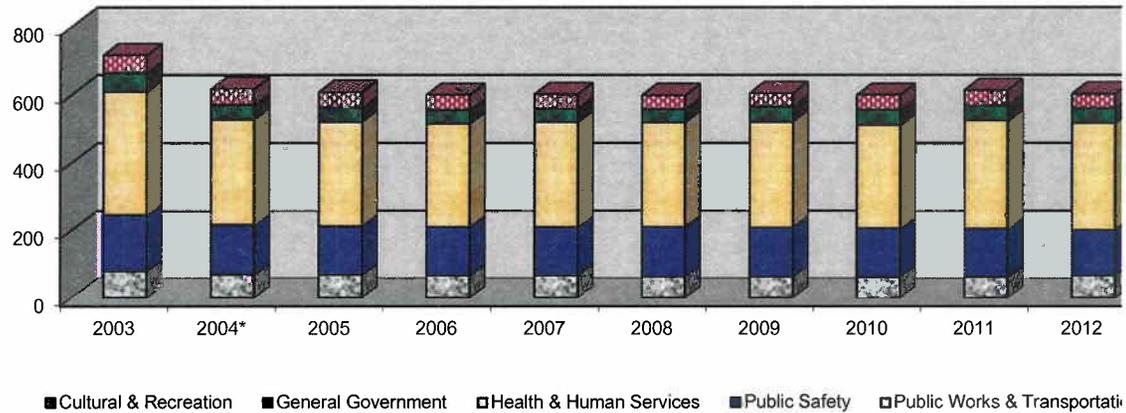
**TABLE XX
OZAUKEE COUNTY, WISCONSIN**

**MISCELLANEOUS STATISTICS
December 31, 2012**

DATE OF INCORPORATION	1853	HOSPITALS	
		Non-County Operated	2
FORM OF GOVERNMENT		RECREATION	
County Board	26 members	County Operated:	
County Administrator	Non-elected	Number of Parks	12
AREA	234 Sq. Miles	Acres of Parks	918
		Golf Courses	2
MILES OF ROADS		Miles of Bicycle/Snowmobile Trails	38
STATE	42.45	Non-County Owned	
COUNTY	152.21	Number of Parks	126
LOCAL	681.63	Acres of Parks	2,045
OTHER	<u>41.52</u>	Golf Courses, private	8
	917.81	Miles of Bicycle/Snowmobile Trails	136
		Marinas	1
		Miles of Shoreline	25
COUNTY EMPLOYEES	FT	PT/Temp	
General Government	50	41	
Health Care/Human services	212	199	
Public Works	48	25	
Public Safety	<u>106</u>	<u>53</u>	
TOTAL	416	318	
		SCHOOLS - (Public & Private)	
		Elementary	25
		Junior High	6
		Senior High	6
		Higher Education	3
		Total	40
		Number of Students Enrolled	15,316
PUBLIC SAFETY		LIBRARIES	
Number of County Police Departments	1	Local Government operated	5
Number of Sworn Officers	74	9	
Number of County Water Rescue Teams	1	UTILITIES	
Number of County HazMat Teams	1	Municipal and private	
Number of Local Police Departments	7	Water Facilities, municipal	5
Number of Sworn Officers	276	Sanitary Sewer Facilities	5
Number of Local Fire Departments	9	Electric, private	2
Number of Sworn Officers	700		
Rescue Squads/Ambulances	8		
Moody's bond rating:	Aaa		

OZAUKEE COUNTY, WISCONSIN
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION</u>	<u>Full-time Equivalent Employee Positions During Years'</u>									
	<u>2003</u>	<u>2004*</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Cultural & Recreation	52	47	46	45	43	41	40	44	46	46
General Government	55	43	41	40	39	39	44	44	44	44
Health & Human Services	364	312	310	306	311	309	313	306	319	319
Public Safety	166	147	143	143	143	147	145	143	143	143
Public Works & Transportation	79	69	68	66	66	63	63	63	62	62
TOTAL	717	618	608	600	602	599	605	600	614	614
Percent Change	-3.81	-13.75	-1.62	-1.32	0.29	-0.45	1.00	-0.83	2.33	2.33



* 2004 represents a change in counting methodology from calculation to budgeted positions.

TABLE XXII
Ozaukee County Operating Indicators

Aging	20,352	Meals served	33,240	Meals delivered	5,980	Contacts	
Child Support	90% of cases have paternity established 80% of child support collected in month due and 80% of arrears collected during year						
Clerk of Courts	Cases						
	Criminal	8,491	Felony		312		
			Misdemeanor		835		
	Civil	3,044					
	Juvenile	287					
	Probate	442					
Coroner	28 autopsied deaths, 459 deaths investigated, 885 total deaths						
Corporation Counsel	366 cases opened, \$37,366 in collections						
County Clerk	364 Marriage/domestic partner licenses issued, National elections administered						
District Attorney	1,368 criminal complaints, 1,147 criminal referrals, 801 traffic citations challenged						
Emergency Mgnt.	37 Water Safety Rescue Boat responses and 13 Hazmat responses						
Finance	31,448 checks processed, 1 internal audits, \$21,000 in discounts, Aaa bond rating						
Golf Courses	78,271 rounds of golf on the 2 County courses, exceeding 5 yr avg. by 6,000 rounds for second year.						
Parks	305 weekend or weekday reservations for camping or facility rental						
Highway	51,517 tons of bituminous concrete produced and applied						
			County	Interstate	State	Town	
	Miles of roads serviced		154	27	64	203	
	County roads Overall Condition Index (OCI) rating 72 (very good)						
Human Services		Involuntary	Child	Child	Home	Develop.	
	Birth to Three	hospitalizations	ADRC	Protection	Placement	meals	Disabled
Clients	282	231	2,748	457	63	29,660	708
Lasata Care Center	209 bed facility with 97.4% occupancy rate, full care facility						
Lasata Crossing	New assisted living facility opened in July 2011						
Lasata Apartments	60 rooms with 57 occupied, independent living arrangement						
Library System	79,542 Bookmobile loans, 348,000 interlibrary loans						
Planning Resource and Land Management	99 state sanitary permits for private onsite wastewater treatment, 51 for shore land improvements, 29,575 trees sold, 140 farmers participating in the Farmland Preservation Program						
Public Health	265 infectious diseases investigated, over 10,300 vaccines administered 1022 lbs. of pharmaceuticals collected and disposed						
Register of Deeds	38,828 property descriptions maintained						
Treasurer	\$1,990,228 delinquent taxes at year end, \$13,132,489 cash & investments at year end						
Sheriff	Incidents	Auto Accidents	Traffic Citations	Warnings	Arrests	Avg. daily jail Population	
	4,831	625	2,551	6,246	121	224	
Transit	75,053 taxi and 127,836 bus rides						
UW Extension	646 member of 4-H and 278 volunteers, 700 tires collected						
Veterans Services	480 veterans/surviving families serviced, 135 new files 354 veterans transported for hospital visits						

TABLE XXIII
OZAUKEE COUNTY, WISCONSIN

Capital Asset Statistics by Function/Program*
Last Ten Calendar Years

<u>Function / Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government:										
Administration Center	1	1	1	1	1	1	1	1	1	1
Old County Jail	1	1	1	1	1	0	0	0	0	0
Historical Building	1	1	1	1	1	1	1	1	1	1
Tower Mequon	1	1	1	1	1	1	1	1	1	1
Tower Belgium	1	1	1	1	1	1	1	1	1	1
Fairgrounds Bldgs.	16	16	16	16	16	15	15	15	14	15
Public Safety:										
Justice Center	1	1	1	1	1	1	1	1	1	1
Patrol Units	23	23	23	23	31	26	26	27	27	27
Search and Rescue Boat	1	1	1	1	1	1	1	1	1	1
Public Works:										
Highway Office & Maint Shop	2	2	2	2	2	2	2	2	2	2
Highway Dept. Satellite Shops	3	3	3	3	3	3	3	3	2	2
Salt Domes	2	2	2	2	2	2	2	2	2	2
Salt Sheds	2	2	2	2	2	2	2	2	2	2
Sand Sheds	3	3	3	3	3	3	3	3	3	3
Gravel Pits	4	4	4	4	4	4	4	4	4	4
Asphalt Plant	1	1	1	1	1	1	1	1	1	1
Bridges	18	18	18	18	18	18	18	18	18	18
Traffic Signals	5	5	5	5	5	5	5	5	5	5
Shared Ride Taxi's	26	26	26	28	25	22	27	27	22	22
Buses	5	5	5	5	5	5	5	5	5	5
Culture, Recreation & Education:										
County Parks-Building	16	16	17	17	17	17	17	17	17	17
Ice Center	1	1	1	1	1	1	0	0	0	0
Enterprise:										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Assisted Living Apts.								1	1	1
Independent Living Apts.	1	1	1	1	1	1	1	1	1	1
Golf Courses	2	2	2	2	2	2	2	2	2	2

* Information is from the Fixed Asset accounting system of Ozaukee County.

TABLE XXIV
OZAUKEE COUNTY, WISCONSIN
Jail Inmate Population - 12 month totals

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Adults									
County									
Male	46,011	40,730	44,768	46,294	45,750	43,882	43,169	39,921	40,007
Female	5,250	6,812	6,670	7,765	8,451	8,666	8,918	10,562	10,983
Total	51,261	47,542	51,438	54,059	54,201	52,548	52,087	50,483	50,990
Boarders									
Male	26,288	29,311	19,879	26,519	29,256	29,064	29,451	22,466	4,770
Female	785	973	495	141	-	177	305	293	673
Total	27,073	30,284	20,374	26,660	29,256	29,241	29,756	22,759	5,443
Male	72,299	70,041	64,647	72,813	75,006	72,946	72,620	62,387	44,777
Female	6,035	7,785	7,165	7,906	8,451	8,843	9,223	10,855	11,656
Total	78,334	77,826	71,812	80,719	83,457	81,789	81,843	73,242	56,433
Juvenile									
County									
Male	713	-	-	-	-	-	-	-	-
Female	232	-	-	-	-	-	-	-	-
Total	945	-							
Boarders									
Total	78,334	77,826	71,812	80,719	83,457	81,789	81,843	73,242	56,433
Percent									
County	65.44%	61.09%	71.63%	66.97%	64.94%	64.25%	63.64%	68.93%	90.35%
Boarders	34.56%	38.91%	28.37%	33.03%	35.06%	35.75%	36.36%	31.07%	9.65%
Adult	98.81%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Juvenile	1.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

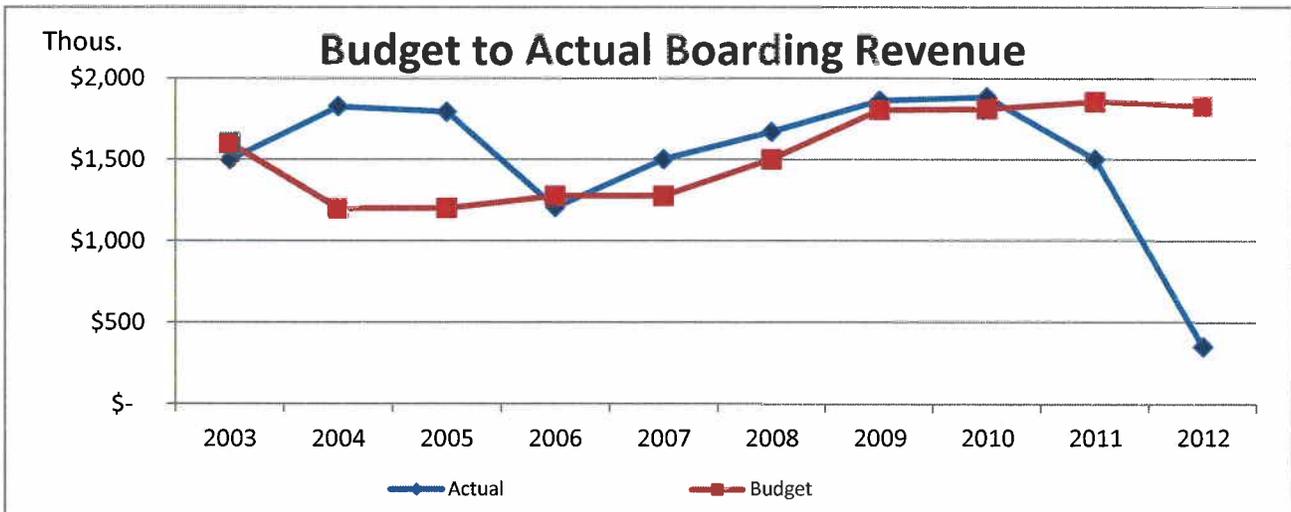


TABLE XXV
OZAUKEE COUNTY, WISCONSIN

SURETY BONDS OF PRINCIPAL OFFICIALS
DECEMBER 31, 2012

Title	2012 Annual Salary	Bond Amount
Clerk of Circuit Court	\$ 71,530	\$ 200,000
County Clerk	66,370	5,000
Register of Deeds	74,340	55,000
Sheriff	96,200	5,000
Treasurer	69,140	500,000

All officials and classified employees of Ozaukee County are additionally bonded under a Public Employees Honesty Blanket Bond in the amount of \$500,000.

TABLE XXVI

OZAUKEE COUNTY
Ozaukee County Delinquent Tax History

TAX YEAR	SALE YEAR	COUNTY LEVY	TAX SALE	% OF LEVY UNCOLLECTED	END OF YEAR
					TAX CERTIFICATE ROLL BALANCE
1978	1979	3,150,993	292,033	9.26%	382,485
1979	1980	3,807,239	414,684	10.89%	543,920
1980	1981	4,417,224	692,393	15.67%	839,427
1981	1982	4,949,268	936,513	18.92%	1,155,448
1982	1983	5,269,724	864,803	16.10%	1,217,072
1983	1984	5,368,971	984,512	18.33%	1,386,498
1984	1985	5,920,611	832,755	14.06%	1,240,866
1985	1986	6,195,765	808,534	13.05%	1,198,362
1986	1987	7,054,754	717,372	10.17%	1,154,125
1987	1988	7,348,990	805,094	10.95%	1,012,240
1988	1989	8,367,162	819,013	9.79%	1,039,443
1989	1990	10,861,347	1,169,366	10.77%	1,177,679
1990	1991	9,418,792	1,722,343	18.29%	1,540,559
1991	1992	10,520,857	1,650,686	15.69%	1,535,316
1992	1993	11,200,215	1,393,249	12.44%	1,726,702
1993	1994	11,543,672	1,067,071	9.24%	1,121,178
1994	1995	11,494,997	1,000,339	8.70%	1,119,349
1995	1996	10,462,170	1,020,075	9.75%	1,080,172
1996	1997	11,521,540	867,114	7.53%	804,203
1997	1998	14,358,229	862,555	6.01%	737,182
1998	1999	13,603,980	779,002	5.73%	773,520
1999	2000	9,380,528	845,933	9.02%	744,025
2000	2001	12,914,745	971,259	7.52%	944,172
2001	2002	15,343,197	1,154,219	7.52%	1,025,141
2002	2003	15,307,317	1,181,734	7.72%	1,168,521
2003	2004	16,415,973	979,071	5.96%	1,023,099
2004	2005	16,860,542	1,165,983	6.92%	1,042,543
2005	2006	17,525,469	1,143,143	6.52%	1,161,931
2006	2007	18,005,783	1,676,182	9.31%	1,402,333
2007	2008	18,262,492	1,944,028	10.64%	1,730,186
2008	2009	18,602,096	2,346,153	12.61%	2,204,305
2009	2010	19,013,458	2,507,176	13.19%	2,603,542
2010	2011	19,040,611	2,096,649	11.01%	2,362,277
2011	2012	19,153,575	1,668,353	8.71%	1,949,240

Reported as of December 31 of each year.

TABLE XXVII
OZAUKEE COUNTY, WISCONSIN
Government Accounting Standards Board STMT # 45
Other Post Employment Benefits (OPEBs)

PENSION:

Ozaukee County employees are enrolled in the Wisconsin Retirement System (WRS). WRS is an independent, state sponsored, defined benefits plan that provides for both the County and employee to contribute a percentage of wage. In 2011 the County and employees each contributed 5.8% of gross wages to the system.

Both normal and disability retirement are covered under this plan. The county has no further liability upon retirement.

INSURANCE:

The county does not offer any County paid post retirement insurance.

Employees are allowed to save a portion of unused sick time to be applied toward health related insurance payments upon retirement according to the various negotiated contracts. The percentage of conversion ranges from zero to 100%. The recognized liability for this benefit is \$3 million.

This benefit is segregated and recognized at termination. There is no beneficiary provision.

The county allows all full time retired employees and spouse to participate in a separate insurance plan at their own expense until they reach 65 years of age. The County currently has 22 retired employees and 7 spouses contributing to their health insurance in this plan. We consider this immaterial for reporting.

OTHER:

The County has no other post employment benefits.

STATISTICAL ANALYSIS

OBJECTIVE: To provide a narrative explanation of the following statistical financial data in a concise reader-friendly format.

Financial Trends:

Obviously Ozaukee County, like almost every financial entity in the world, has suffered in the past four to five years in this depressed business cycle. A closer look reveals some interesting statistics. Years 2003 through 2005 net position need to be disregarded due to a change in infrastructure valuation required under GASB 34. We estimated that our preliminary valuation technique was overstated after four years of operational experience. The timeline still has relevance because 2006 is prior to the economic meltdown. I believe relationships to 2007 are the most important since this was the last year before the equity crash.

Investment in both governmental and business activities actually increased. This was the result of low interest rates and federal incentives and grants. In the past five years we have addressed some deferred capital projects and invested in others that return a revenue stream using federal programs and low interest borrowing. During that period our governmental debt has gone from less than \$3M to almost \$10M yet the associated interest has only increased by 50%. The use of refinancing has greatly helped. Revenues and expenditures decreased by \$5.1M and \$5.6M respectively for governmental activities. The variance was met by increased property and sales tax, fees for service, and some use of reserves. Expenses increased almost \$2.4M for business activities but during that time they have gone from losing money to a profit of \$340,000 in 2012. The primary reason is the addition of an assisted living component to our senior nursing campus and better management and favorable weather at our golf courses.

Unassigned fund balances are actually higher for governmental activities in 2012 compared to 2007 but substantially down for business activities. The conscious decision to use reserves to finance capital that would increase revenues and cash flows was the primary reason but deferring Highway work to lower the tax levy was also a factor.

Revenue Capacity:

Ozaukee County is a wealthy county with family income well above the state and national average. It has the third highest property values of the state's 72 counties but it also has the lowest tax rate. When one compares the median priced home for each county at the mill rate it becomes apparent Ozaukee County has, in most years, the least taxes on the median priced home of any WI county. The tax on a \$256,000 home is \$434 while the most expensive county's tax is \$1,052 on a \$200,000 median priced home.

Sales tax increased over 5% last year on top of a 2% increase last year. The level of goods sold is now higher than 2007 even when factoring for inflation. We expect an upward trend to continue.

Our residents demand quality services but are involved enough in government to demand conservative financial accountability. This attitude often makes for budget challenges but a supportive governing board.

Since 2007 our property tax rate has gone from \$1.69 to \$1.84 per thousand dollars of equalized value. The property tax has gone from \$17,704,271 to \$19,153,207 in 2013. The increase of \$1,448,936 is equal to an 8% increase over 6 years. Much of that increase has gone to debt service. The state passed legislation in 2011 limiting property tax increases to taxes provided by net new construction. There are some exceptions to the limit including passed referendum, transfer of services between governmental bodies, new debt (there are qualifiers), and some others.

Debt Capacity:

The County has state legislative authority to incur debt up to 5% of the County's equalized value. In 2012 equalized value was \$10,345,569,700, legal debt limit was \$517,278,485, the County's debt was \$20,085,000, we had \$80,666 in the fund, and our amount applicable to the limit was \$497,274,151 (96%). The County has utilized borrowing more over the last seven years due to low debt rates and a change in philosophy. The Board and management are investing more into areas that provide revenue and cash flow. Our senior nursing campus received \$10M to build an assisted living facility. The objective was to provide additional revenues to allow the campus to remain off the tax levy. We have invested in our Highway hot mix plant, vacant land purchases containing gravel, and vehicles to keep costs down and generate more state reimbursement revenue. We initiated a public/private partnership in 2012 to build a multipurpose facility on our fairgrounds with the Milwaukee Curlers Association containing a 50 year renewable lease allowing the County revenue opportunities. Under state levy limitation legislation all new debt approved by 75% of board members elect is exempt from levy limit restrictions. Our internal policy is the same.

Future borrowing will consist of an issue in 2013 for up to \$10M for miscellaneous, unspecified capital projects. Discussions are under way to borrow another \$10M to address other additions to the senior complex for additional revenue streams.

The County has an internal policy limiting debt. Total debt for governmental purposes will not exceed the tax levy and debt carrying costs will not exceed 20% of the annual levy. Any enterprise debt expected to provide additional revenue to cover debt service within six years is exempt.

Demographic and Economic Data

Ozaukee County is a wealthy county where half its residents work outside the county. We have manufacturing, agriculture, education, health care, and retail businesses. Charter Steel and Allen Edmonds are two large manufacturing employers. Getting detailed staffing information is difficult. Charter Steel is frequently in the local papers reporting on new contracts. Allen Edmonds is a high-end shoe manufacturer with a global presence. It recently opened a second facility in Milwaukee and is running close to full capacity in Ozaukee County. Agriculture still has a significant presence but urban encroachment has had an effect. Retail has been growing rapidly. Concordia University is a higher education institution that is experiencing rapid growth, adding a pharmacy and veterinary school to their curriculum. There are two modern hospitals in the County. This may be a case of overbuilding and competition could prove fatal to one. Time will tell. The Village of Grafton, which is centrally located, has placed several new retail districts with large box stores. Other communities have witnessed their success and are beginning to mimic. The County is also a local draw for tourism dollars. The rural

atmosphere, boutique shops, Lake Michigan access, interurban recreational trail, and local events are big attractions for day trips out of the Milwaukee urban area.

Population has experienced slow but steady growth and is now about 87,000 people. Demographics skew to an older population. Residential property historically retains its value but the past 5-6 years has seen about a 15% loss of fair market value.

Operating Information:

The County employs about 650 people in full and part time positions. It hires seasonal labor, mostly youth, for its golf courses, internships, highway, and parks. We operate a 24/7 senior care facility and Sheriff/jail operation. We have two golf courses, judicial system, interurban bus and taxi service, and 23 governmental departments. Until 2012 labor was represented by four different unions but in 2012 three decertified by popular vote. Relationships between labor and management are cordial, open and effective. Employees are enrolled in the Wisconsin Retirement System that is currently 98% funded and contribute one half (6%) to the cost. Employees receive no material post retirement benefits. Our Highway operates its own hot mix plant and gravel operations. Being a northern county, snow clearance is a priority for our mobile civilian workforce and businesses. We do both snow removal and road repairs for state, local, County, and some private entities. In the past 10 years we have had zero days where roads were not clear of snow for travel. Recently budget constraints have forced us to defer more road repairs than normal creating losses for Highway. We have reduced the workforce through attrition and are attempting to hire part time/temporary workers for winter plowing.