

**POLK COUNTY, WISCONSIN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2012**

**POLK COUNTY, WISCONSIN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2012**

**PREPARED BY THE DEPARTMENT OF ADMINISTRATION POLK COUNTY, WISCONSIN**

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## **INTRODUCTORY SECTION**

William Johnson IV, Chair  
Polk County Board of Supervisors  
100 Polk Plaza, Suite 170  
Balsam Lake, WI 54810  
Phone (715) 485-9237



Dana Frey  
County Administrator  
100 Polk Plaza, Suite 220  
Balsam Lake, WI 54810  
Phone (715) 485-9212

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June 27, 2013

Polk County Board of Supervisors  
100 Polk County Plaza  
Balsam Lake, Wisconsin, 54810

Honorable Chair Johnson and Supervisors:

The Comprehensive Annual Financial Report (CAFR) for Polk County, Wisconsin (the County) is hereby submitted for the fiscal year ended December 31, 2012 as prepared by the County's Department of Administration. We have prepared this report in conformity with Generally Accepted Accounting Principles (GAAP), and adopting Governmental Accounting Standards Board Statement 34 (GASB34).

The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the various funds of the County. All disclosures necessary to allow the reader to understand the County's financial activities have been included.

The County is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The County has complied with the Single Audit requirements. This report will be available to elected officials, County management, bond rating agencies, and other financial institutions that have expressed an interest in Polk County's financial affairs and to the public through the County website.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Polk County's MD&A can be found immediately following the report of the independent auditors.

### **Polk County Government**

Polk County was incorporated in 1858 and operates with a County Board/Administrator form of government under Wisconsin Statutes. There are 23 members of the Board of Supervisors, elected to two year terms beginning in April, 2012. At present, Polk County has 11 standing and 23 appointed committees comprised of County Board and citizen members to provide policy

advice to the full Board. Structurally, Polk County is organized into 27 departments, 5 of which are headed by an elected official.

Polk County is located in northwestern Wisconsin on the border with Minnesota, and is largely rural in character, with no city or village having a population greater than 3,000. The County provides a full range of services that include health and human services; tax assessment and collection; judicial, law enforcement and jail services; the construction and maintenance of highways and infrastructure; recreational facilities; cultural events; and general administrative services.

In 2010, the County hired its first county administrator and at the same time began a major program of strengthening fiscal controls enabled by that form of government. A concentrated review of programs, current expenditures and vacant positions continued with a realization of substantial savings including the elimination of any structural deficit. Funds have been set aside to completely fund sick leave payout liabilities for retirees and as a revolving loan fund for capital improvements. The County's unassigned fund balance was set at 25 percent of General Fund expenditures. All together, these changes have greatly contributed to an improvement in the County's fiscal position and outlook.

### **Economic Condition and Outlook**

Polk County is located along the historic and scenic St. Croix River Valley in the northwestern part of Wisconsin. The County has a diverse economy with a mix of agriculture, tourism, manufacturing, and services. Its proximity to the Minneapolis/St. Paul metropolitan area has served to provide a ready market for goods produced here as well as a demand for recreational activities centered around our 400 lakes and rivers, 100 mile trail network, and small town and rural charm. Despite the lingering effect of the greatest recession in 75 years, the economic condition and outlook for the County continues to be positive. The County is enjoying moderate growth from new commercial and residential/recreational development and tourism; this growth is expected to continue and expand on into the future.

Polk County has been one of the faster growing counties in Wisconsin, although that growth rate has recently slowed due to the past recession. The County's population increased by 7 percent over the past decade according to the 2010 Federal census, a full percentage point above the State average, to 44,205 in April, 2010. According to State of Wisconsin estimates, that population growth continued from 2010 to 2012, although by a mere 0.1 percent due to a net outmigration. The natural increase in population (births over deaths) was 0.3 percent.

The County's unemployment rate remains high despite overall employment growth in part due to labor force expansion. The unemployment rate increased slightly from April 2012 to April 2013, from 8.1 percent to 8.6 percent, despite relatively stable employment over that same period. Improved retail activity is also evident in the ongoing improvement in sales tax collections since the past recession. Under Wisconsin law, counties may levy a one-half cent local sales tax on the same base as the State sales tax for sales within the county. In 2012 Polk County collected \$2,410,000 in sales taxes, an increase over 2011 and surpassing the previous peak in collections reached in 2007, before the past recession.

Polk County's tax base appears to be stabilizing following the disruption in the real estate market and despite a preponderance of residential real estate. Overall, the total equalized property value declined a modest 1.8 percent from \$4,228,266,700 in January 2011 to \$4,151,138,000 in January 2012 according to the Wisconsin Department of Revenue. As

indications are that the residential real estate market has recovered in the past year, we anticipate that the County's equalized value will show some growth in future years. Despite this decline, the County remains in the top one-third of Wisconsin counties in per capita equalized value and the County's tax rate remains moderate, 35<sup>th</sup> highest among the 72 Wisconsin counties. Net new construction from 2011 to 2012 was estimated to be \$22.3 million.

Tourism, a major component of the County's economic base, is showing strong growth, outperforming the state average on every indicator. Overall spending by visitors jumped nearly six percent from 2011 to 2012, from \$69.4 million to \$73.3 million, and tourism-related employment increased by nearly three percent according to the Wisconsin Department of Tourism. The County's agricultural sector also continues to prosper: the USDA estimates that corn production increased from 8.5 to 8.6 million bushels in 2012 despite an 11 percent drop in yield due to near-drought conditions. Manufacturing accounts for a large share of the county's economy, and shows some signs of expansion, with annual payroll increasing from \$128.1 million in 2010 to \$134.2 million in 2011 according to the US Census Bureau, significant because manufacturing payroll accounts for nearly 37 percent of total payroll in Polk County. Finally, the County's health industry also continues to expand, with St. Croix Regional Medical Center constructing a new satellite clinic just across the Minnesota border and scheduled to begin construction of yet another clinic in Frederic in northern Polk County later this year.

Polk County has taken steps to respond to this changing economic outlook and ensure stable finances into the future. The General Fund unassigned fund balance has been increased to over 25 percent of expenditures, all assigned or committed funds are reviewed at least annually, and two new funds have been created, one to cover future liabilities from employee sick leave payouts on retirement, the other to provide funding for internal investments that result in future savings such as new Human Services Department software to increase collections and improve processing and investments in lighting to improve energy efficiency.

### **Other Operational Highlights**

In addition to the financial management improvements mentioned above, other County departments also reached operational goals in 2012.

- ◆ In a national competition under the auspices of the National Association of County Officials, Polk County's Information Technology Department placed 7<sup>th</sup> among counties with populations under 150,000 for innovation with use of new technology to enhance productivity and reduce the cost of operations.
- ◆ Polk County's Public Health director was honored with the 2012 Milton and Ruth Roemer Prize for Creative Local Public Health Work by the American Public Health Association.
- ◆ The Public Health Department received a \$150,000 Community Transformation Grant to build local capacity to promote healthy environments that help Wisconsinites make healthy choices and therefore prevent chronic diseases.
- ◆ The Polk County Highway Department received an Honorable Mention for Best Overall Loss Ratio from Wisconsin County Mutual Insurance Company attesting to the department's overall safety record.
- ◆ The Polk County Lime Quarry sold a record 91,700 tons of lime products in 2012 to farmers, contractors and the general public, a 48 percent increase over 2011.

- ◆ Golden Age Manor hosted a centurion birthday party for the first time in 2012, recognizing five residents over the age of 100.
- ◆ Polk County undertook a refinancing of a 2005 bond issue to reduce interest costs, with credit ratings reaffirmed by Moody's Investors Services.

## **Other Financial Information**

### **Single Audit**

As a recipient of federal, state, and local financial assistance, the County must have adequate internal controls and procedures to ensure financial integrity and to be in compliance with the applicable laws and regulations related to those programs. Our internal controls are evaluated periodically by management and the internal audit staff. In addition, our internal controls are subject to review annually by our Auditors.

As part of the County's Single Audit, described on page one, tests are made to determine the adequacy of the internal controls surrounding the federal financial assistance programs. For the fiscal year ended December 31, 2012, our auditors found no instances of material weaknesses in the internal controls or significant violations of applicable laws and regulations pertaining to the Single Audit.

The Office of Management and Budget's (OMB) Circular A-133 sets forth the audit requirements for state and local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including the compliance with certain provisions of federal law and regulations. The requirements have been established to ensure that audits are made on an organizational-wide basis rather than a grant-by-grant basis. The grants for which these requirements apply are reported in the County's Schedule of Expenditures of Federal Awards.

### **Internal Controls**

The County's system of internal controls is supported by written policies and procedures and is continually reviewed, evaluated, and modified to meet current needs as noted above. Polk County has adopted an organic budget code, i.e. one which comprehensively governs the preparation, submission, and execution of the annual budget.

The Finance Committee consisted of five County Supervisors in 2012. The Finance Committee reviews the annual audit report with the external auditors. The internal auditor, other County personnel, and representatives from our auditors meet periodically with the Finance Committee to discuss audit concerns.

In developing and evaluating the County's financial management system, consideration is given to the adequacy of the internal accounting controls. These controls provide reasonable, but not absolute, assurance in the following areas: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgeting Controls**

Budgetary control is maintained at the fund level, and it is subject to periodic review by the County's administrator, finance manager and Finance Committee. Open encumbrances are reported as assignments of fund balance as of December 31, 2012. In addition, the County maintains budgetary controls at fund and department levels, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body. Activities of the General, Special Revenue, Debt Service, and Capital Projects Funds are included in the annual appropriated budget. The County maintains a tracking system for all assigned and committed balances to help in budgetary control. All assigned and committed balances lapse unless the County Board acts to continue this assignment or commitment as part of the annual budget process.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

### **Long Term Financial Planning**

Polk County policies require that the County undertake long term financial planning in conjunction with the annual budget process and as part of an annual review of the County's current and pending debt service obligations. The budget policy requires that the county administrator submit a budget with at least one forward year (the year following the budget year) estimate; current practice is to project revenues and expenditures for two years. The debt management policy requires that the finance manager annually prepare a debt affordability study that considers the ongoing ability of the County to meet all debt service obligations, necessitating an estimate of revenues and expenditures for the period for which such obligations are outstanding. In addition, the County also prepares a five-year plus capital improvement plan that considers the resources needed to meet these potential costs and demand for other expenditures.

These reviews have not identified any major gap between revenues and expenditures, and actions taken to fully fund the future retirement liability for sick leave payouts as well as capping that liability by shifting to a PTO policy improve the County's long term fiscal outlook. The County has taken steps to increase the unassigned General Fund balance to improve financial stability and to offset some of the need for future debt issuance for capital improvements, including Highway Department renovation or building construction. An increase in the sales tax fund balance also serves a similar function. Finally, the decision to establish an asset protection and internal investment revolving loan fund will allow for funding projects with a demonstrable payback in terms of savings in operating costs such as energy efficiency projects.

### **Independent Audit**

Wisconsin State Statutes require an audit to be made of the financial statements of the County by an independent auditor team. In addition to meeting the requirements in the state statutes, the audit must also meet the requirements of the federal Single Audit Act of 1984 and the Single Audit Amendment of 1996 and related OMB Circular A-133. These requirements have been met and the Auditor's opinion has been included in this report. The Auditor will also issue a management and compliance letter covering the testing of the County's system of internal

controls and compliance with applicable legal provisions. The management and compliance letter will not modify or affect this report on the financial statements.

### **Awards**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County for the year ended December 31, 2011. This is the fourth year the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

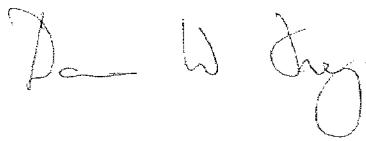
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Invitation and Acknowledgments**

I invite you to read the remainder of this Comprehensive Annual Financial Report. Polk County provides a variety of services financed with various funds. It must follow specific rules and policies in the administration of these resources. If you have questions regarding any of the materials presented, please contact the department of administration. Our goal is to keep you well informed about your County's government.

I would like to recognize the professional contributions made by the staff of County departments, the finance manager and finance team, and the department of administration. This report would not have been completed without the efficient and dedicated services of the entire staff. I especially want to thank the Finance Committee, department heads, and the County Board of Supervisors for their interest and support in planning and conducting the financial activities in a responsible and progressive manner. The County's excellent financial status is a tribute to that involvement and commitment.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Dana Frey', written in a cursive style.

Dana Frey  
Polk County Administrator

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Polk 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.



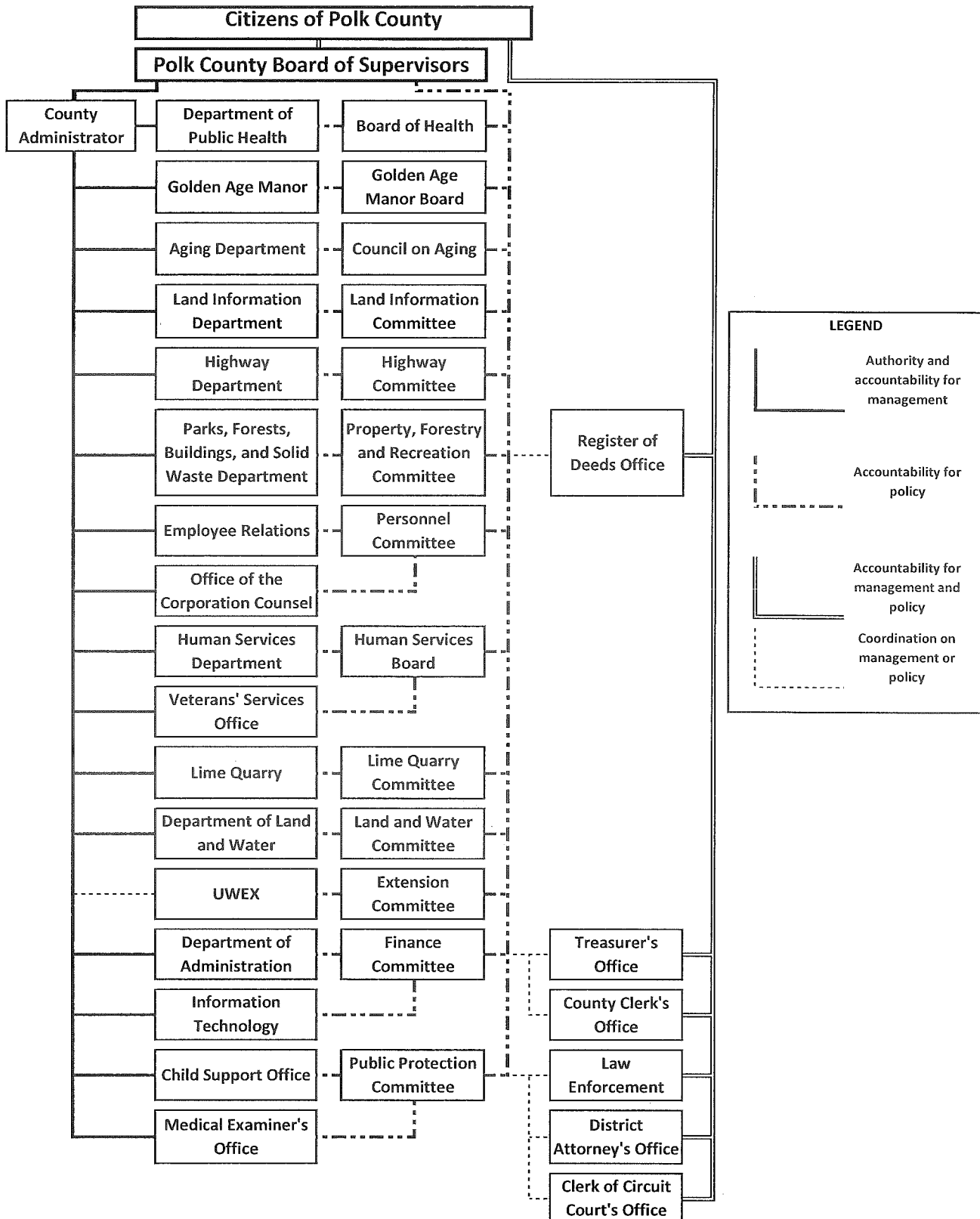
*Christopher P. Moynell*

President

*Jeffrey R. Enen*

Executive Director

**POLK COUNTY, WISCONSIN  
ORGANIZATIONAL CHART  
DECEMBER 31, 2012**



**POLK COUNTY, WISCONSIN  
LIST OF PRINCIPALS  
DECEMBER 31, 2012**

<b>Office</b>	<b>Name</b>	<b>Term Expires</b>
<b>Supervisors:</b>		
1st District	Herschel Brown	April 2014
2nd District	William F. Johnson IV	April 2014
3rd District	Dean K. Johansen	April 2014
4th District	Patricia Schmidt	April 2014
5th District	Harry Johansen	April 2014
6th District	Kathryn Keinholz	April 2014
7th District	Marvin Caspersen	April 2014
8th District	Tom Engel	April 2014
9th District	James Edgell	April 2014
10th District	Brian R. Masters	April 2014
11th District	Rick Scoglio	April 2014
12th District	Craig Moriak	April 2014
13th District	Jay Luke	April 2014
14th District	Warren Nelson	April 2014
15th District	George Stroebel	April 2014
16th District	Tom Magnafici	April 2014
17th District	Kristine Kremer-Hartung	April 2014
18th District	Larry Jepsen	April 2014
19th District	Kim O'Connell	April 2014
20th District	Gary Bergstrom	April 2014
21st District	Neil L. Johnson	April 2014
22nd District	Russel Arcand	April 2014
23rd District	Jared Cockroft	April 2014
<b>Officers:</b>		
<b>Elected:</b>		
Circuit Judge, Branch 1	Molly E. GaleWyrick	July 2014
Circuit Judge, Branch 2	Jeff Anderson	July 2017
Clerk of Circuit Court	Joan Ritten	December 2014
County Clerk	Carole Wondra	December 2016
County Treasurer	Amanda Nissen	December 2016
District Attorney	Daniel P. Steffen	December 2016
Register of Deeds	Laurie Anderson	December 2016
Sheriff	Peter Johnson	December 2014

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

County Board of Supervisors  
Polk County, Wisconsin

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Polk County, Wisconsin (the County) as of and for the year ended December 31, 2012, 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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 entity'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 entity'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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Polk County, Wisconsin as of December 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Prior Period Adjustment***

As discussed in Note 4.F, the beginning net position of the business type activities and the nursing home enterprise fund were restated to reflect the correction of an accounting error. Our opinion is not modified as a result of this matter.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedule of funding progress on pages 13 through 24 and 67 through 70 and 71, respectively be presented to supplement the basic financial statements. Such information, although not a 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.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Polk County's basic financial statements. The supplementary information consisting of the combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

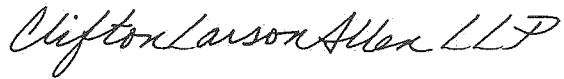
#### ***Other Information***

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

County Board of Supervisors  
Polk County, Wisconsin

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013 on our consideration of Polk County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
June 27, 2013

## **REQUIRED SUPPLEMENTARY INFORMATION**

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

As management of Polk County, Wisconsin (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Polk County for the year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 25 following this narrative.

**FINANCIAL HIGHLIGHTS**

- The assets of Polk County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$73,026,974 (net position). Of this amount, \$56,816,037 represented the County's net investment in capital assets, \$1,895,118 was held for restricted purposes, and \$14,315,819 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$1,942,816. Net position related to the governmental activities of the County increased \$1,660,009. The increase in net position related to governmental activities is primarily related to the retirement of debt from current year revenues.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$15,212,579, an increase of \$393,978 from the previous year. The primary component of the increase was due to positive budget variances in the general fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,739,432 or 29.3% of total general fund expenditures.
- Golden Age Manor Nursing Home finished 2012 with an increase in net position of \$184,463, including depreciation, prior to a prior period adjustment of \$123,548.
- The lime quarry fund finished 2012 with net position increasing \$98,344.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

The statement of net position presents information on all of Polk County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Government-Wide Financial Statements (Continued)**

Both of the government-wide financial statements distinguish functions of Polk County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, transportation, sanitation, health and human services, culture, recreation and education, and conservation and development. The business-type activities of the County consist of a nursing home and lime quarry operations.

The government-wide financial statements can be found beginning on page 25 of this report.

**Fund Financial Statements**

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

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

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

Polk County maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the human services special revenue fund and the debt service fund, all of which are considered to be major funds. Data from the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The fund level financial statements can be found beginning on page 27 of this report.

**Proprietary Funds** – Polk 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 nursing home and its lime quarry operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Polk County uses internal service funds to account for its highway department operations and self-funded health insurance program.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Fund Financial Statements (Continued)**

**Proprietary Funds (Continued)** – Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the nursing home and the lime quarry operations, both considered major funds. Conversely, the two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found beginning on page 31 of this report.

**Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Data from fiduciary funds are combined into a single aggregate presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statement can be found on page 35 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 36 of this report.

**Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the general fund and major special revenue fund budgets. Required supplementary information can be found beginning on page 67 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, supplementary information has been provided as part of this report. The supplementary information includes combining statements for the nonmajor governmental funds and internal service funds, and individual fund statements for selected funds. This other supplementary information section begins on page 72.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Polk County, assets exceeded liabilities by \$74,682,340 at the close of the most recent fiscal year. The largest portion of Polk County's net position (79%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following is a summary of the County's statement of net position:

**Condensed Statement of Net Position  
December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 42,187,459	\$ 42,192,996	\$ 1,384,426	\$ 1,685,727	\$ 43,571,885	\$ 43,878,723
Capital Assets	80,450,284	81,494,185	2,288,746	2,517,803	82,739,030	84,011,988
Internal Balances	1,050,272	1,625,483	(1,050,272)	(1,625,483)	-	-
Total Assets	123,688,015	125,312,664	2,622,900	2,578,047	126,310,915	127,890,711
Noncurrent Liabilities Outstanding	22,490,126	25,304,996	337,514	296,899	22,827,640	25,601,895
Other Liabilities	28,170,915	28,640,703	630,020	785,041	28,800,935	29,425,744
Total Liabilities	50,661,041	53,945,699	967,534	1,081,940	51,628,575	55,027,639
Net Position:						
Net Investment in Capital Assets	56,816,037	55,031,898	2,225,795	2,445,058	59,041,832	57,476,956
Restricted	1,895,118	1,836,833	8,179	9,334	1,903,297	1,846,167
Unrestricted	14,315,819	14,498,234	(578,608)	(958,285)	13,737,211	13,539,949
Total Net Position	\$ 73,026,974	\$ 71,366,965	\$ 1,655,366	\$ 1,496,107	\$ 74,682,340	\$ 72,863,072

An additional portion of Polk County's net position (3%) represents resources that are subject to other restrictions on how they may be used. The remaining \$13,737,211 of total net position (18%) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2012, Polk County is able to report positive balances in all three categories of net position, for the government as a whole and for the governmental activities. The business-type activities report negative unrestricted net position.

The condensed statement of changes in net position shown on the following page shows that the County's total net position increased by \$1,942,816 during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$1,660,009 and an increase in net position related to business-type activities in the amount of \$282,807. The increase in net position related to governmental activities is primarily the result of using current financial resources to retire debt.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**

The following is a summary of the changes in the County's net position:

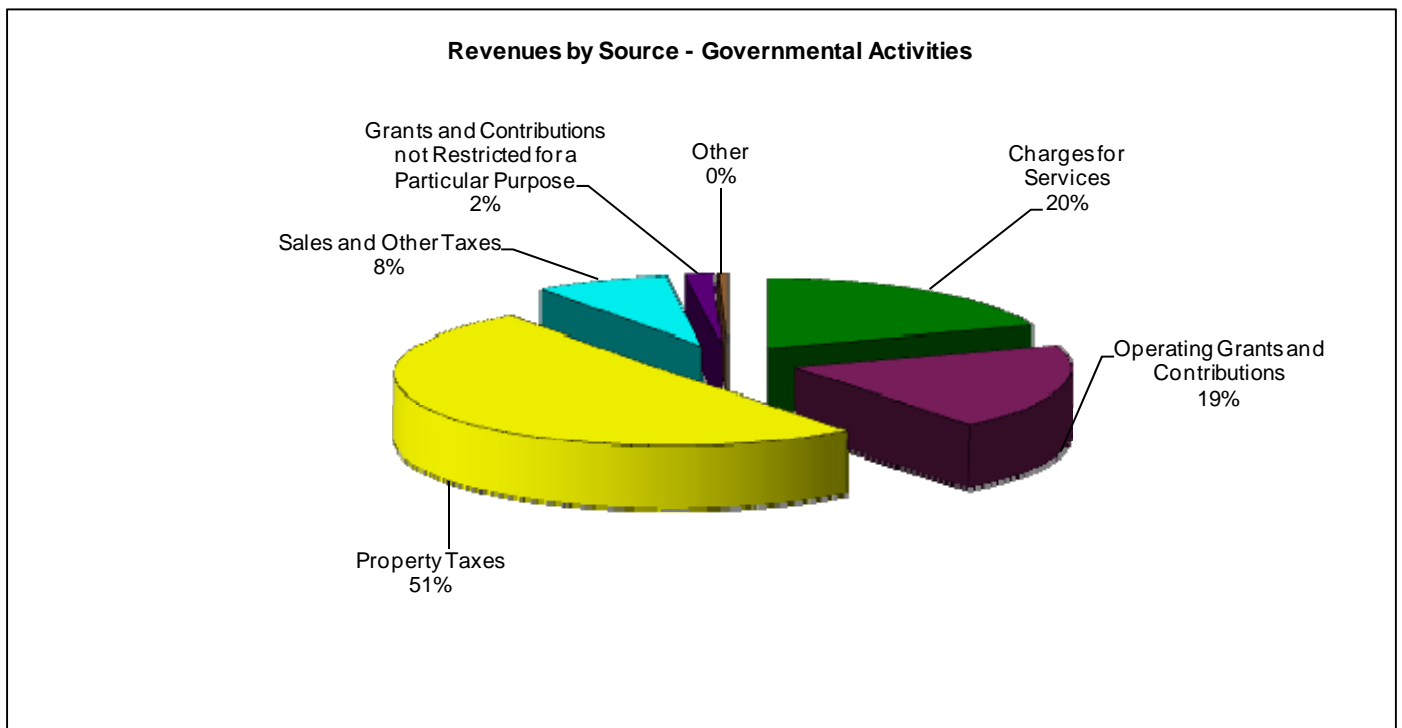
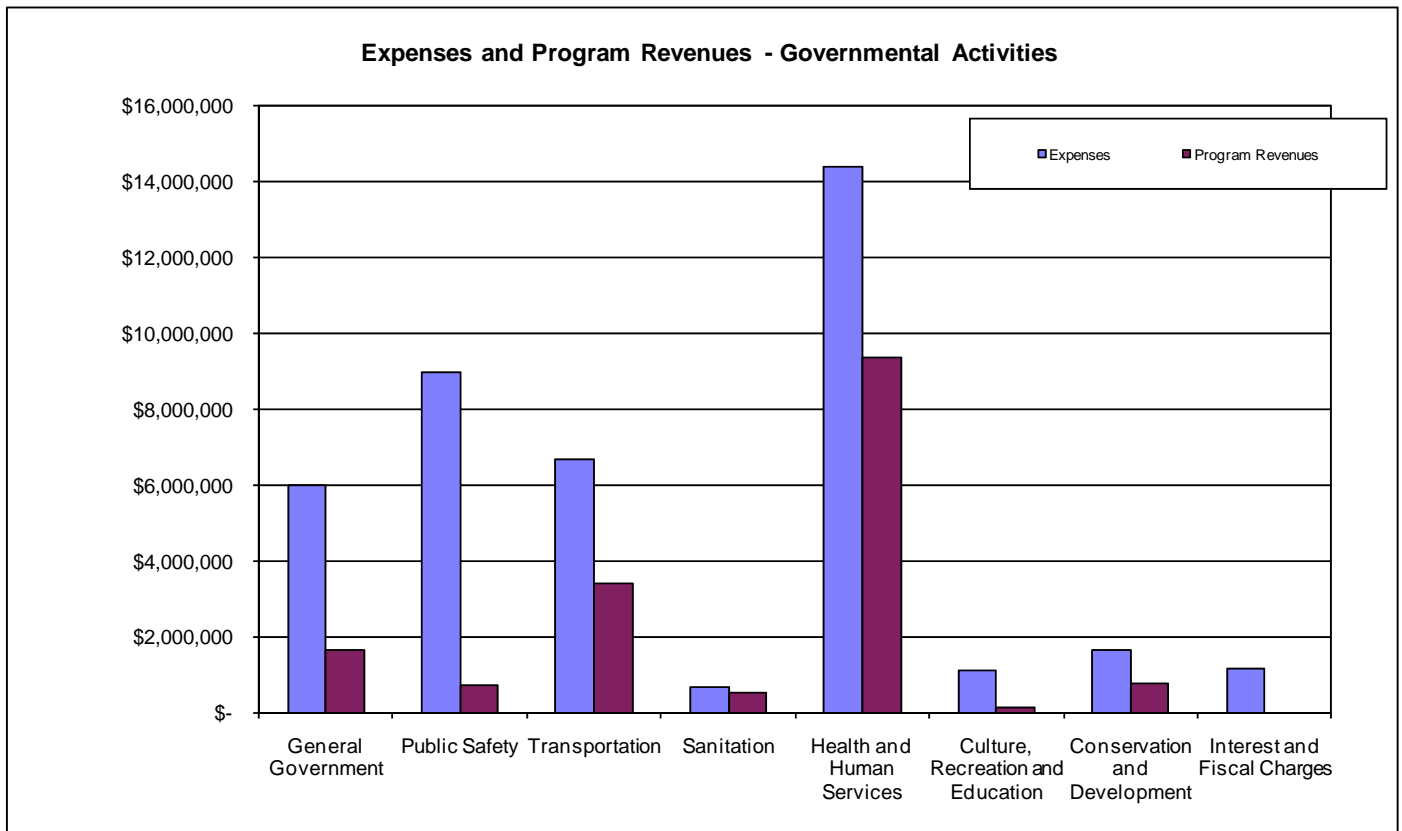
**Condensed Statement of Changes in Net Position  
Years Ended December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 8,397,085	\$ 7,761,203	\$ 7,474,915	\$ 7,370,194	\$ 15,872,000	\$ 15,131,397
Operating Grants and Contributions	8,225,802	11,059,492	1,102,005	902,005	9,327,807	11,961,497
Capital Grants and Contributions	-	46,133	-	-	-	46,133
General Revenues:						
Property Taxes	21,546,877	21,664,675	-	-	21,546,877	21,664,675
Other Taxes	3,278,517	3,181,876	-	-	3,278,517	3,181,876
State and Federal Aids not Restricted to Specific Programs	703,168	793,767	-	-	703,168	793,767
Unrestricted Investment Earnings	97,542	122,413	1,083	115	98,625	122,528
Other	102,618	145,906	20,345	24,156	122,963	170,062
Total Revenues	42,351,609	44,775,465	8,598,348	8,296,470	50,949,957	53,071,935
Expenses:						
General Government	5,992,133	6,314,503	-	-	5,992,133	6,314,503
Public Safety	8,973,030	8,408,712	-	-	8,973,030	8,408,712
Transportation	6,691,594	4,702,288	-	-	6,691,594	4,702,288
Sanitation	704,064	548,441	-	-	704,064	548,441
Health and Human Services	14,384,772	15,464,511	-	-	14,384,772	15,464,511
Culture, Recreation and Education	1,124,100	1,457,225	-	-	1,124,100	1,457,225
Conservation and Development	1,665,849	4,000,359	-	-	1,665,849	4,000,359
Interest and Fiscal Charges	1,156,058	1,262,235	-	-	1,156,058	1,262,235
Nursing Home	-	-	7,638,206	8,035,922	7,638,206	8,035,922
Lime Quarry	-	-	677,335	775,716	677,335	775,716
Total Expenses	40,691,600	42,158,274	8,315,541	8,811,638	49,007,141	50,969,912
Change in Net Position Before Transfers	1,660,009	2,617,191	282,807	(515,168)	1,942,816	2,102,023
Transfers	-	52,551	-	(52,551)	-	-
Change in Net Position	1,660,009	2,669,742	282,807	(567,719)	1,942,816	2,102,023
Net Position - Beginning of Year, As Originally Stated	71,366,965	68,697,223	1,496,107	2,063,826	72,863,072	70,761,049
Prior Period Adjustment (See Note 4.F)	-	-	(123,548)	-	(123,548)	-
Net Position - Beginning of Year, As Restated	71,366,965	68,697,223	1,372,559	2,063,826	72,739,524	70,761,049
Net Position - End of Year	\$ 73,026,974	\$ 71,366,965	\$ 1,655,366	\$ 1,496,107	\$ 74,682,340	\$ 72,863,072

A review of the statement of activities can provide a concise picture of how the various functions/programs of Polk County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main sources for funding governmental services are property taxes (51%), charges for services (20%), and operating grants/contributions (19%).

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

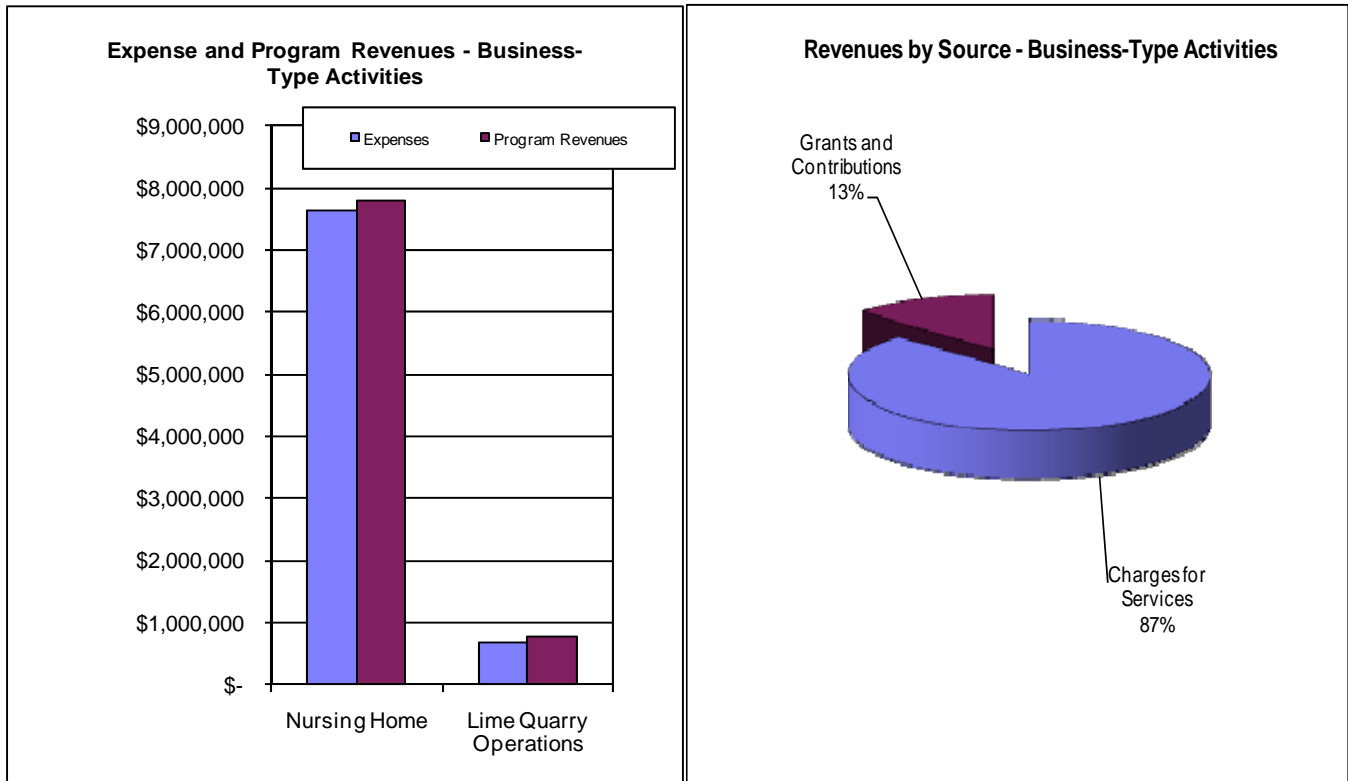
**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**



**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**

In the case of business-type activities, the data shows a considerably different picture. Charges for services (87%) replace property taxes as the primary revenue.



**FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

As noted earlier, Polk 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 regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing Polk County's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

**Governmental Funds**

At December 31, 2012, the County's governmental funds reported combined ending fund balances of \$15,212,579, an increase of \$393,978 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at 12/31/2012					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 5,208,013	\$ 249,386	\$ 106,487	\$ 1,301,536	\$ 6,739,432	\$ 13,604,854	\$ 318,352
Debt Service Fund	-	177,871	-	-	-	177,871	5,488
Nonmajor Funds:							
Special Revenue Funds	-	662,157	-	803,308	(35,645)	1,429,820	321,872
Capital Projects Funds	-	34	-	-	-	34	(251,734)
Total Fund Balances	<u>\$ 5,208,013</u>	<u>\$ 1,089,448</u>	<u>\$ 106,487</u>	<u>\$ 2,104,844</u>	<u>\$ 6,703,787</u>	<u>\$ 15,212,579</u>	<u>\$ 393,978</u>

Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.

The general fund is the primary operating fund used to account for the governmental operations of Polk County. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 59% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 29% of the same amount.

The general fund's total fund balance increased \$318,352 during the year; while the unassigned portion of the fund decreased \$514,648. The primary factor in the increase in total fund balance was due to positive variances in the general fund budget. The decrease in the unassigned balance was due to the assignment of fund balance during the year totaling \$900,000 for the purposes of asset protection (\$600,000) and employee retirement (\$300,000).

The County's human services fund had a \$-0- balance at year-end. This ending fund balance is due to a County Board resolution requiring the fund balance to be closed to the general fund at year end. A transfer from the general fund to the human services fund in the amount of \$297,731 was required in 2012 to close out the deficit in the human services fund resulting from 2012 operations.

The debt service fund balance at December 31, 2012 totaled \$177,871. This balance is expected to be used to finance future debt service requirements.

The aggregated other governmental funds column includes various special revenue and capital project funds. The accumulated fund balances of these funds increased \$70,138 during 2012, primarily due to the excess of revenues in the county sales tax fund over amounts applied by the County to reduce its levy. These funds are individually detailed in the supplementary information section of this report.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

**Proprietary Funds**

Polk County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As shown below, the net position of the enterprise-type proprietary funds at the end of 2012 totaled \$1,655,366, an increase of \$282,807 from the previous year's adjusted balance.

**Condensed Statement of Changes in Net Position for Enterprise Funds  
Years Ended December 31, 2012 and 2011**

	Nursing Home		Lime Quarry		Totals	
	2012	2011	2012	2011	2012	2011
Operating Revenues	\$ 6,718,981	\$ 6,677,169	\$ 775,679	\$ 717,181	\$ 7,494,660	\$ 7,394,350
Operating Expenses:						
Depreciation	166,322	157,229	100,803	106,874	267,125	264,103
Other	7,432,960	7,835,179	576,532	668,842	8,009,492	8,504,021
Nonoperating Income (Expense)	1,064,764	858,606	-	-	1,064,764	858,606
Income (Loss) Before Transfers	184,463	(456,633)	98,344	(58,535)	282,807	(515,168)
Transfers and Capital Contributions	-	(52,551)	-	-	-	(52,551)
Change in Net Position	184,463	(509,184)	98,344	(58,535)	282,807	(567,719)
Net Position - Beginning of Year, As Originally Stated	(4,521)	628,211	1,377,080	1,435,615	1,372,559	2,063,826
Prior Period Adjustment (See Note 4.F)	-	(123,548)	-	-	-	(123,548)
Net Position - Beginning of Year, As Restated	(4,521)	504,663	1,377,080	1,435,615	1,372,559	1,940,278
Net Position - End of Year	<u>\$ 179,942</u>	<u>\$ (4,521)</u>	<u>\$ 1,475,424</u>	<u>\$ 1,377,080</u>	<u>\$ 1,655,366</u>	<u>\$ 1,372,559</u>

The increase in the net position of the nursing home was \$184,463. This increase is primarily due to a decrease in operating expenses related to daily patient services. As shown above, the change in net position was an increase of \$184,463 compared to a decrease of \$509,184 in the previous year.

The net position of the lime quarry fund at December 31, 2012 totaled \$1,475,424, an increase of \$98,344 from the previous year.

The County had two internal service funds during 2012. Net position of the funds at year-end and changes thereto during the year were as follows:

	Net Position at 12/31/12	Change During Year
Highway Department	\$ 6,197,665	\$ (178,731)
Self-Funded Health Insurance	688,331	81,766

The County uses the highway department fund to account for road maintenance and construction and related services provided to the County, the State of Wisconsin, and local governmental units. Annual appropriations for services for the County and related state and federal aids received are initially recorded in the general fund and paid to the highway fund.

Revenues of the health insurance fund consist principally of charges to departments and retirees based on rates determined by the County. Any accumulated balance is considered in the rate determination process.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the budgetary comparison schedule for the general fund (in required supplementary information), the final 2012 general fund budget was the same as the original budget adopted by the County Board. The final actual revenues were \$21,256,734 which were \$42,722 more than the final budgeted revenues while the final actual expenditures were \$22,983,424 which were \$942,831 less than the final budgeted expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2012 and 2011 were \$82,739,032 and \$84,011,988, respectively, (net of accumulated depreciation) as shown below:

**Capital Assets (Net of Depreciation)  
December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Not Subject to Depreciation:						
Land and Land Rights	\$ 1,751,799	\$ 1,751,799	\$ 180,962	\$ 187,584	\$ 1,932,761	\$ 1,939,383
Construction Work in Process	37,389	267,836	-	-	37,389	267,836
Subject to Depreciation:						
Land Improvements	156,314	216,659	18,330	20,111	174,644	236,770
Buildings and Improvements	22,167,202	23,077,451	1,097,210	1,173,201	23,264,412	24,250,652
Equipment and Vehicles	10,197,850	10,383,430	992,244	1,136,907	11,190,094	11,520,337
Highway Infrastructure	45,070,782	44,701,020	-	-	45,070,782	44,701,020
Other Infrastructure	1,068,948	1,095,990	-	-	1,068,948	1,095,990
Total	<u>\$ 80,450,284</u>	<u>\$ 81,494,185</u>	<u>\$ 2,288,746</u>	<u>\$ 2,517,803</u>	<u>\$ 82,739,030</u>	<u>\$ 84,011,988</u>

The County capitalized approximately \$2.1 million of highway infrastructure costs during the year.

Additional information related to the County's capital assets is reported in Note 3.C following the financial statements.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Long-Term Obligations**

At December 31, 2012, Polk County had outstanding \$26,765,222 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-Term Obligations  
December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total Outstanding		Change
	2012	2011	2012	2011	2012	2011	
General Obligation Debt:							
Bonds	\$ 19,500,000	\$ 19,305,000	\$ -	\$ -	\$ 19,500,000	\$ 19,305,000	1.0 %
Notes	2,950,000	5,970,000	54,575	60,172	3,004,575	6,030,172	(50.2)
State Trust Fund Loan	132,717	261,230	-	-	132,717	261,230	(49.2)
Subtotal	22,582,717	25,536,230	54,575	60,172	22,637,292	25,596,402	(11.6)
Other Long-Term Obligations:							
Capital Leases Payable	256,510	316,238	8,376	12,573	264,886	328,811	(19.4)
Forest Crop Loans Payable	224,600	318,417	-	-	224,600	318,417	(29.5)
Estimated Employee Leave	1,988,329	1,673,526	272,534	266,077	2,260,863	1,939,603	16.6
Other Postemployment Health Care Benefits	1,102,065	919,079	275,516	230,157	1,377,581	1,149,236	19.9
Total	\$ 26,154,221	\$ 28,763,490	\$ 611,001	\$ 568,979	\$ 26,765,222	\$ 29,332,469	

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a County may not exceed 5 percent of the equalized property value of all taxable property within the jurisdiction. The applicable debt of Polk County outstanding at December 31, 2012 totaled \$22,637,292, approximately 10 percent of the maximum legal limit of \$237,011,105. Additional information on Polk County's long-term debt is reported in Note 3.E following the financial statements.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**CURRENTLY KNOWN FACTS**

Limits have been imposed on the property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute establishes specific penalties for failure to meet the levy rate freeze requirements. Among the penalties for exceeding the limits is the reduction of state shared revenues and transportation aids. For the 2012 budget year, Polk County utilized an operating levy rate of \$4.19, a debt levy rate of \$1.02, and a special purpose levy rate of \$.16 for a total mill rate of \$5.37/\$1,000 of valuation. The operating levy limit under this restriction was \$4.81. The County's actual operating levy was \$.62/\$1,000 under this levy limit. The levy limit related to property tax levy rates was suspended by the State for the 2012 and 2013 budget years.

The State of Wisconsin has imposed further limits on the County's property tax levy beginning with the 2008 budget year levy. Essentially, the legislation restricts the growth in the County's property taxes (except for debt service, libraries, road and bridge aid, and tax increments) to the greater of the percentage increase in the County's equalized value due to new construction or 2% (0% or net new construction only in 2012). The County approved a levy of \$21,654,312 for its 2013 budget, an increase of \$107,435 (0.50%) from the 2012 budget levy of \$21,546,877.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Polk County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Polk County Administration Office, 100 Polk County Plaza, Suite 220, Balsam Lake, Wisconsin, 54810.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**POLK COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2012**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Treasurer's Cash and Investments	\$ 10,770,251	\$ 592,993	\$ 11,363,244
Departmental Cash and Investments	34,716	200	34,916
Cash and Investments with Fiscal Agents	72,028	-	72,028
Taxes Receivable	26,338,696	-	26,338,696
Accounts Receivable	1,282,714	585,060	1,867,774
Estimated Third-Party Payer Settlements	-	851	851
Due from Other Governments	1,176,705	-	1,176,705
Long-Term Receivables	894,194	-	894,194
Prepaid Items	137,809	31,043	168,852
Inventories	547,237	131,477	678,714
Unamortized Debt Issuance Costs	933,109	-	933,109
Internal Balances	1,050,272	(1,050,272)	-
Restricted Assets:			
Cash and Investments	-	42,802	42,802
Capital Assets:			
Capital Assets Not Being Depreciated	1,789,188	180,962	1,970,150
Capital Assets Being Depreciated	130,258,973	6,687,167	136,946,140
Accumulated Depreciation	(51,597,877)	(4,579,383)	(56,177,260)
Total Assets	123,688,015	2,622,900	126,310,915
<b>LIABILITIES</b>			
Vouchers and Accounts Payable	948,905	129,816	1,078,721
Accrued Payables	475,519	152,816	628,335
Accrued Interest Payable	88,524	39,278	127,802
Claims Incurred but not Reported	426,612	-	426,612
Unearned Revenues	21,721,361	-	21,721,361
Special Deposits	50,845	34,623	85,468
Long-Term Liabilities:			
Amounts Due Within One Year	4,459,149	273,487	4,732,636
Amounts Due in More Than One Year	22,490,126	337,514	22,827,640
Total Liabilities	50,661,041	967,534	51,628,575
<b>NET POSITION</b>			
Net Investment in Capital Assets	56,816,037	2,225,795	59,041,832
Restricted for:			
Debt Service	89,347	-	89,347
Economic and Housing Loan Programs	945,492	-	945,492
Other Purposes	860,279	8,179	868,458
Unrestricted	14,315,819	(578,608)	13,737,211
Total Net Position	\$ 73,026,974	\$ 1,655,366	\$ 74,682,340

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position - Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>						
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 5,992,133	\$ 1,379,892	\$ 262,049	\$ (4,350,192)	\$ -	\$ (4,350,192)
Public Safety	8,973,030	445,090	299,457	(8,228,483)	-	(8,228,483)
Transportation	6,691,594	2,127,520	1,279,329	(3,284,745)	-	(3,284,745)
Sanitation	704,064	381,967	159,674	(162,423)	-	(162,423)
Health and Human Services	14,384,772	3,677,788	5,665,303	(5,041,681)	-	(5,041,681)
Culture, Recreation and Education	1,124,100	29,570	136,834	(957,696)	-	(957,696)
Conservation and Development	1,665,849	355,258	423,156	(887,435)	-	(887,435)
Interest and Fiscal Charges	1,156,058	-	-	(1,156,058)	-	(1,156,058)
Total Governmental Activities	40,691,600	8,397,085	8,225,802	(24,068,713)	-	(24,068,713)
Business-Type Activities:						
Nursing Home	7,638,206	6,699,236	1,102,005	-	163,035	163,035
Lime Quarry	677,335	775,679	-	-	98,344	98,344
Total Business-Type Activities	8,315,541	7,474,915	1,102,005	-	261,379	261,379
Total Primary Government	<u>\$ 49,007,141</u>	<u>\$ 15,872,000</u>	<u>\$ 9,327,807</u>	(24,068,713)	261,379	(23,807,334)
<b>GENERAL REVENUES</b>						
Taxes:						
Property Taxes				21,546,877	-	21,546,877
Sales Taxes				2,461,037	-	2,461,037
Other Taxes				817,480	-	817,480
State and Federal Aids Not Restricted to Specific Programs				703,168	-	703,168
Interest and Investment Earnings				97,542	1,083	98,625
Other				102,618	20,345	122,963
Total General Revenues				<u>25,728,722</u>	<u>21,428</u>	<u>25,750,150</u>
<b>CHANGE IN NET POSITION</b>				1,660,009	282,807	1,942,816
Net Position - Beginning of Year, As Originally Stated				71,366,965	1,496,107	72,863,072
Prior Period Adjustment (see Note 4.F)				-	(123,548)	(123,548)
Net Position - Beginning of Year, As Restated				<u>71,366,965</u>	<u>1,372,559</u>	<u>72,739,524</u>
<b>NET Position - END OF YEAR</b>				<u>\$ 73,026,974</u>	<u>\$ 1,655,366</u>	<u>\$ 74,682,340</u>

See accompanying Notes to the Basic Financial Statements.

## **FUND FINANCIAL STATEMENTS**

**POLK COUNTY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>ASSETS</b>					
Treasurer's Cash and Investments	\$ 7,437,535	\$ 157,518	\$ 177,871	\$ 1,237,603	\$ 9,010,527
Departmental Cash and Investments	6,285	28,231	-	-	34,516
Cash Held by Fiscal Agents	72,028	-	-	-	72,028
Taxes Receivable	18,264,356	3,663,520	4,176,439	234,381	26,338,696
Accounts Receivable	708,916	257,377	-	315,260	1,281,553
Due from Other Governments	46,599	-	-	401,124	447,723
Due from Other Funds	520,662	-	-	-	520,662
Prepaid Items	8,196	-	-	-	8,196
Long-Term Accounts Receivable	-	-	-	894,194	894,194
Advances to Other Funds	844,833	-	-	-	844,833
Total Assets	<u>\$ 27,909,410</u>	<u>\$ 4,106,646</u>	<u>\$ 4,354,310</u>	<u>\$ 3,082,562</u>	<u>\$ 39,452,928</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Vouchers and Accounts Payable	\$ 387,828	\$ 331,750	\$ -	\$ 113,791	\$ 833,369
Accrued Payables	289,517	78,537	-	33,818	401,872
Due to Other Funds	-	-	-	315,223	315,223
Deferred Revenues	13,604,197	3,668,528	4,176,439	1,189,876	22,639,040
Special Deposits	23,014	27,831	-	-	50,845
Total Liabilities	<u>14,304,556</u>	<u>4,106,646</u>	<u>4,176,439</u>	<u>1,652,708</u>	<u>24,240,349</u>
<b>FUND BALANCES</b>					
Nonspendable	5,208,013	-	-	-	5,208,013
Restricted	249,386	-	177,871	662,191	1,089,448
Committed	106,487	-	-	-	106,487
Assigned	1,301,536	-	-	803,308	2,104,844
Unassigned	6,739,432	-	-	(35,645)	6,703,787
Total Fund Balances	<u>13,604,854</u>	<u>-</u>	<u>177,871</u>	<u>1,429,854</u>	<u>15,212,579</u>
Total Liabilities and Fund Balances	<u>\$ 27,909,410</u>	<u>\$ 4,106,646</u>	<u>\$ 4,354,310</u>	<u>\$ 3,082,562</u>	<u>\$ 39,452,928</u>

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2012**

**Total Fund Balances - Governmental Funds**

\$ 15,212,579

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 1,734,080	
Land Improvements	575,040	
Buildings and Improvements	33,766,848	
Machinery and Equipment	11,341,460	
Infrastructure	75,568,447	
Construction Work-in-Progress	37,389	
Accumulated Depreciation	<u>(47,250,251)</u>	75,773,013

Some receivables are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

971,172

Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. These liabilities consist of:

Bonds Payable	19,500,000	
Notes Payable	2,950,000	
State Trust Fund Loan	132,717	
Accrued Interest Payable	88,524	
Forest Crop Loans	224,600	
Capital Lease	256,510	
Other Postemployment Health Care Benefits	1,102,065	
Estimated Employee Leave Liability	<u>1,699,425</u>	(25,953,841)

Debt issuance and refinancing costs and premiums are deferred in the statement of net position and amortized over the lives of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred.

Unamortized Bond Premiums	(795,054)	
Unamortized Debt Issue Costs	<u>933,109</u>	138,055

Internal service funds are used by County management to account for highway department operations and to charge the costs of its self-funded health insurance program to functions. The assets and liabilities of the internal service funds are reported in governmental activities.

6,885,996

**Net Position of Governmental Activities**

\$ 73,026,974

*See accompanying Notes to the Basic Financial Statements.*

**POLK COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2012**

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>REVENUES</b>					
Taxes	\$ 14,387,387	\$ 3,666,574	\$ 4,094,142	\$ 2,779,330	\$ 24,927,433
Intergovernmental	3,286,829	3,361,423	-	2,171,616	8,819,868
Licenses and Permits	258,186	-	-	61,223	319,409
Fines and Forfeits	127,885	-	-	46,812	174,697
Public Charges for Services	2,455,338	2,144,021	-	642,219	5,241,578
Intergovernmental Charges for Services	246,274	-	-	-	246,274
Miscellaneous:					
Interest	94,208	-	-	34	94,242
Rent	285,891	-	-	-	285,891
Other	114,736	-	-	19,242	133,978
Total Revenues	21,256,734	9,172,018	4,094,142	5,720,476	40,243,370
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
General Government	5,770,280	-	-	11,932	5,782,212
Public Safety	7,197,470	-	-	193,738	7,391,208
Transportation	4,294,698	-	-	-	4,294,698
Sanitation	556,663	-	-	-	556,663
Health and Human Services	2,434,137	9,508,783	-	2,593,694	14,536,614
Culture, Recreation and Education	1,106,491	-	-	68,428	1,174,919
Conservation and Development	1,623,685	-	-	15,155	1,638,840
<b>DEBT SERVICE</b>					
Principal Retirement	-	-	4,845,245	102,039	4,947,284
Interest and Fiscal Charges	-	-	1,153,148	-	1,153,148
Debt Issuance Costs	-	-	29,810	-	29,810
Total Expenditures	22,983,424	9,508,783	6,028,203	2,984,986	41,505,396
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,726,690)	(336,765)	(1,934,061)	2,735,490	(1,262,026)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Refunding Bonds	-	-	1,865,000	-	1,865,000
Transfers In	2,342,773	336,765	41,768	-	2,721,306
Transfers Out	(297,731)	-	-	(2,673,575)	(2,971,306)
Loans Issued	-	-	-	8,223	8,223
Premiums on Bonds Issued	-	-	32,781	-	32,781
Total Other Financing Sources (Uses)	2,045,042	336,765	1,939,549	(2,665,352)	1,656,004
<b>NET CHANGE IN FUND BALANCES</b>	318,352	-	5,488	70,138	393,978
Fund Balances - Beginning of Year	13,286,502	-	172,383	1,359,716	14,818,601
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 13,604,854</u>	<u>\$ -</u>	<u>\$ 177,871</u>	<u>\$ 1,429,854</u>	<u>\$ 15,212,579</u>

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2012**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 393,978**

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 2,197,602
Depreciation Expense Reported in the Statement of Activities	(3,431,529)

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase financial resources and trade-ins are not reflected in capital outlays. Thus, the change in net position differs from the change in fund balances by the book value of capital assets disposed of during the year.

Net Book Value of Assets Disposed	(9,948)	(1,243,875)
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Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

13,021

Long-term debt and related obligations incurred in governmental funds are reported as revenues/other financing sources, but are reported as an increase in outstanding long-term obligations in the statement of net position and do not affect the statement of activities. Also, governmental funds report the effect of issuance costs, discounts, premiums and similar items when issued, whereas these amounts are deferred and amortized in the statement of activities. Such items are:

General Obligation Bonds	(1,865,000)	
Forest Crop Loan	(8,223)	
Premiums Received on Debt Issuance	(32,781)	
Debt Issuance Costs Deferred	29,810	
Amortization of Debt Issuance Related Costs	(114,399)	
Amortization of Premiums on Bonds Issued	99,314	(1,891,279)

Repayment of long-term debt and related items are reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Bond Principal Retirement	1,670,000	
Long-Term Notes Principal Retirement	3,020,000	
State Trust Fund Loan Repayment	128,513	
Capital Lease Principal Repayment	26,731	
Forest Crop Loan Paid	102,040	4,947,284

Internal service funds are used by County management to account for highway department operations and to charge the costs of its self-funded health insurance program to functions. The changes in net position of these internal service funds are allocated to governmental activities.

(96,965)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	12,175	
Net Change in Compensated Absences Liability	(291,344)	
Net Change in Other Postemployment Benefits	(182,986)	(462,155)

**Change in Net Position of Governmental Activities** **\$ 1,660,009**

*See accompanying Notes to the Basic Financial Statements.*

**POLK COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2012**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Nursing Home	Lime Fund	Totals	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ -	\$ 592,993	\$ 592,993	\$ 1,759,724
Departmental Cash and Investments	-	200	200	200
Accounts Receivable	520,849	64,211	585,060	1,161
Due from Other Governmental Units	-	-	-	728,982
Estimated Third-Party Payer Settlements	851	-	851	-
Inventories	43,730	87,747	131,477	547,237
Prepaid Items	29,133	1,910	31,043	129,613
Total Current Assets	594,563	747,061	1,341,624	3,166,917
<b>NONCURRENT ASSETS</b>				
Restricted Cash and Investments	42,802	-	42,802	-
Capital Assets Not Being Depreciated	6,605	174,357	180,962	17,719
Capital Assets Being Depreciated	5,092,072	1,595,095	6,687,167	9,007,178
Less: Accumulated Depreciation	3,611,019	968,364	4,579,383	4,347,626
Net Capital Assets	1,487,658	801,088	2,288,746	4,677,271
Total Assets	2,125,023	1,548,149	3,673,172	7,844,188
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	114,661	15,155	129,816	115,536
Accrued Wages Payable	147,612	5,204	152,816	73,647
Resident Trust Funds	34,623	-	34,623	-
Accrued Interest Payable	39,278	-	39,278	-
Due to Other Funds	205,439	-	205,439	-
Claims Incurred but not Reported	-	-	-	426,612
Unearned Revenues	-	-	-	53,493
Current Portion of Long-Term Liabilities:				
Accrued Employee Leave	233,944	29,176	263,120	218,996
Long-Term Notes	5,912	-	5,912	-
Capital Lease	4,455	-	4,455	-
Total Current Liabilities	785,924	49,535	835,459	888,284
<b>LONG-TERM LIABILITIES, (Net of Current Portion)</b>				
Accrued Employee Leave	-	9,414	9,414	69,908
Advances from General Fund	844,833	-	844,833	-
Long-Term Notes	48,663	-	48,663	-
Other Postemployment Health Care Benefits	261,740	13,776	275,516	-
Capital Lease	3,921	-	3,921	-
Total Long-Term Liabilities	1,159,157	23,190	1,182,347	69,908
Total Liabilities	1,945,081	72,725	2,017,806	958,192
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,424,707	801,088	2,225,795	4,677,271
Restricted for Donation Funds	8,179	-	8,179	-
Unrestricted	(1,252,944)	674,336	(578,608)	2,208,725
Total Net Position	\$ 179,942	\$ 1,475,424	\$ 1,655,366	\$ 6,885,996

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2012**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Nursing Home	Lime Fund	Totals	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 6,699,236	\$ 775,679	\$ 7,474,915	\$ 11,926,066
Miscellaneous	19,745	-	19,745	733,115
Total Operating Revenues	6,718,981	775,679	7,494,660	12,659,181
<b>OPERATING EXPENSES</b>				
Daily Patient Services	4,197,077	-	4,197,077	-
Special Services	711,215	-	711,215	-
General Services	1,417,062	-	1,417,062	-
Other Cost Centers	964	-	964	-
Administrative Services	1,106,642	-	1,106,642	380,710
Lime Quarry Expenses	-	576,532	576,532	-
Transportation Services	-	-	-	5,894,056
Premiums and Claims	-	-	-	6,155,198
Unassigned:				
Depreciation and Depletion	166,322	100,803	267,125	552,021
Change for Accrued Employee Leave	-	-	-	23,459
Total Operating Expenses	7,599,282	677,335	8,276,617	13,005,444
<b>OPERATING INCOME (LOSS)</b>	(880,301)	98,344	(781,957)	(346,263)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental Transfer Program	1,098,210	-	1,098,210	-
Interest Revenue	1,083	-	1,083	-
Interest Expense on Long-Term Debt	(38,924)	-	(38,924)	(702)
Restricted Donations	3,795	-	3,795	-
Gain on Disposal of Capital Assets	600	-	600	-
Total Nonoperating Revenues (Expenses)	1,064,764	-	1,064,764	(702)
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	184,463	98,344	282,807	(346,965)
<b>TRANSFERS</b>				
Transfer In	-	-	-	250,000
<b>CHANGE IN NET POSITION</b>	184,463	98,344	282,807	(96,965)
Net Position - Beginning of Year, As Originally Stated	119,027	1,377,080	1,496,107	6,982,961
Prior Period Adjustment (See Note 4.F)	(123,548)	-	(123,548)	-
Net Position - Beginning of Year, As restated	(4,521)	1,377,080	1,372,559	6,982,961
<b>NET POSITION - END OF YEAR</b>	<u>\$ 179,942</u>	<u>\$ 1,475,424</u>	<u>\$ 1,655,366</u>	<u>\$ 6,885,996</u>

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Nursing Home	Lime Fund	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received for Services Provided	\$ 6,738,011	\$ 792,400	\$ 7,530,411	\$ 6,301,801
Other Cash Received	19,745	-	19,745	-
Cash Received from Departments/Employees/Third-Parties	-	-	-	6,236,964
Cash Paid to Suppliers for Goods and Services	(3,644,866)	(407,834)	(4,052,700)	(8,927,158)
Cash Paid for Employee Services	(3,905,817)	(176,207)	(4,082,024)	(3,688,320)
Net Cash Provided (Used) by Operating Activities	(792,927)	208,359	(584,568)	(76,713)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Net Residents' Trust Funds Received (Paid)	13,073	-	13,073	-
Transfer In (Out)	-	-	-	250,000
Cash Received from Intermediary for Additional Financing of Prior Year Operations	1,551,559	-	1,551,559	-
Change in Cash Overdraft Funded by General County at Year-End	(602,772)	-	(602,772)	-
Net Cash Provided (Used) by Noncapital Financing Activities	961,860	-	961,860	250,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(10,498)	(22,020)	(32,518)	(786,017)
Cash Received from Sale of Capital Assets	-	-	-	14,432
Principal Paid on Advance from General Fund	(95,987)	-	(95,987)	-
Interest Paid on Advances from County	(37,347)	-	(37,347)	-
Principal Paid on Long-Term Notes	(9,280)	-	(9,280)	-
Principal Paid on Capital Leases	-	-	-	(32,997)
Interest on Long-Term Notes and Capital Leases	(4,986)	-	(4,986)	(1,493)
Net Cash Used by Capital and Related Financing Activities	(158,098)	(22,020)	(180,118)	(806,075)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Investments	1,083	-	1,083	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	11,918	186,339	198,257	(632,788)
Cash and Cash Equivalents - Beginning of Year	30,884	406,854	437,738	2,392,712
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 42,802</u>	<u>\$ 593,193</u>	<u>\$ 635,995</u>	<u>\$ 1,759,924</u>

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Nursing Home	Lime Fund	Total	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (880,301)	\$ 98,344	\$ (781,957)	\$ (346,263)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Depletion	166,322	100,803	267,125	552,021
Loss (Gain) on Disposal of Capital Assets	-	-	-	19,590
(Increase) Decrease in Asset Accounts:				
Resident Accounts Receivable	38,775	-	38,775	-
Other Accounts Receivable	-	16,721	16,721	13,767
Due from Other Governmental Units	-	-	-	(169,110)
Inventories	2,363	(10,874)	(8,511)	(66,828)
Prepaid Items	(338)	(438)	(776)	38,241
Increase (Decrease) in Liability Accounts:				
Unearned Revenues	-	-	-	34,927
Accounts Payable	8,453	892	9,345	(90,189)
Claims Incurred but not Reported	-	-	-	(26,935)
Accrued Wages Payable	(166,170)	(10,936)	(177,106)	(59,393)
Accrued Employee Leave	(5,102)	11,559	6,457	23,459
Other Postemployment Health Care Benefits	43,071	2,288	45,359	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (792,927)</u>	<u>\$ 208,359</u>	<u>\$ (584,568)</u>	<u>\$ (76,713)</u>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>				
Cash and Investments per Statement of Net Position:				
Cash and Investments	\$ -	\$ 592,993	\$ 592,993	\$ 1,759,724
Departmental Cash and Investments	-	200	200	200
Restricted Cash and Investments - Noncurrent	34,623	-	34,623	-
Restricted Cash and Investments	8,179	-	8,179	-
Cash and Cash Equivalents	<u>\$ 42,802</u>	<u>\$ 593,193</u>	<u>\$ 635,995</u>	<u>\$ 1,759,924</u>

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2012**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Pooled Investments	\$ 907,645
Taxes Receivable	704,474
Special Charges Receivable	86,252
Special Assessments	<u>331</u>
Total Assets	<u><u>\$ 1,698,702</u></u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 1,171,263
Special Deposits	440,856
Districts/State Equities Uncollected Taxes	<u>86,583</u>
Total Liabilities	<u><u>\$ 1,698,702</u></u>

*See accompanying Notes to the Basic Financial Statements.*

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Polk County, Wisconsin (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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:

**A. Financial Reporting Entity**

Polk County is governed by a board of supervisors consisting of twenty-three elected members.

The financial reporting of the County is defined by the GASB to consist of (a) the Primary Government, (b) organizations for which the Primary Government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Primary Government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As required by accounting principles generally accepted in the United States of America, these financial statements present Polk County (Primary Government) and its component units for which the County is financially accountable. There is financial accountability if the Primary Government appoints a voting majority of an organization's governing body and had the ability to impose its will on that governing body; or there is the potential for the organization to provide specific financial benefits or to impose specific financial burden on the Primary Government. Based on the criteria for determining component units, the County is not required to include any component units.

**B. Government-Wide and Fund Financial Statements**

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds) as described on the following page.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Government-Wide Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the non-fiduciary activities of the Primary Government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**Fund Financial Statements**

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

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. 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** – The General Fund is the primary operating fund. It is used to account for all financial resources of the General Government, except those required to be accounted for in another fund.

**Human Services Fund** – The Human Services Special Revenue Fund is used to account for economic assistance and community social services programs. These programs are funded primarily by property taxes, committed through the Board approved levy, and restricted intergovernmental revenues.

**Debt Service Fund** – The Debt Service Fund is used to account for the payment of principal and interest payments on long-term debt, which are financed by property tax revenue restricted through bond documents.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major enterprise funds:

**Nursing Home Fund** – This fund accounts for the operations of the County's nursing home.

**Lime Fund** – This fund is used to account for the County's lime quarry operations.

The County had no other enterprise funds to report as nonmajor funds.

Additionally, the County reports the following fund types:

**Internal Service Fund** – This fund is used to account for the operations of the County's highway department and transactions of its self-funded health insurance program.

**Agency Fund** – This fund is used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The following County departments maintain agency funds: district attorney (forfeiture funds), treasurer (employee trust accounts), circuit court (safe-keeping of all funds ordered held in trust by the circuit court) tax agency (advance tax collections for other governments) and sheriff (inmate cash accounts).

**C. Measurement Focus and Basis of Accounting**

The government-wide and the proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Fiduciary fund financial statements have no measurement focus.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed 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 generally considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Client billings for the human services programs are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, cost reimbursement grant programs, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

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

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 between governmental activities and business-type activities for services provided.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

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 nursing home are charges for resident services. The principal operating revenues of the lime fund are charges for the sale of products generated by its operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

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

**D. Assets, Liabilities, and Net Position or Equity**

**1. Cash and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

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

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**1. Cash and Investments (Continued)**

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the *Wisconsin Statutes*. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the County are stated at fair value.

**2. Receivables and Payables**

**Property Taxes** – Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. In addition to property taxes for the County, taxes are also collected for and remitted to the state. Taxes billed for the state are recorded as receivables and due other governmental units in the agency fund statement of net position. Since County property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred revenues in the funds budgeted therefore.

The County is also responsible for the collection of all delinquent and postponed property taxes levied by the local taxing districts within its boundaries, except delinquent personal property taxes which are retained by the local municipal district. Real property taxes are payable in full to the local districts on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the Polk County Treasurer for collection in February. The County subsequently settles in full with the local districts in August of the same year. All uncollected taxes returned to the County for collection are financed through the general fund. A portion of the general fund's equity balance is nonspendable for the County's investment in delinquent taxes.

**Accounts Receivable** – Accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material, except for the Golden Age Manor Nursing Home Enterprise Fund which reports \$75,000 of allowances for uncollectible accounts.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**2. Receivables and Payables (Continued)**

**Loans Receivable** – The County has received federal and state grant funds for financing economic development and housing rehabilitation loans to various businesses and individuals. The County records a loan receivable when the loan has been made and funds have been disbursed. No allowance for uncollectible accounts is necessary. It is the County's policy in the fund financial statements, to record deferred revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

**Interfund Balances** – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the average cost method for the highway department and first-in/first-out (FIFO) for its nursing home and lime enterprise funds. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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

**4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**5. Capital Assets**

**Government-Wide Statements** – Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In the case of initial capitalization of infrastructure, the County retroactively implemented the reporting of this item when GASB Statement No. 34 was implemented. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

Capital assets not being depreciated are land and construction in progress. Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 5,000	Not Applicable	Not Applicable
Land Improvements	5,000	Straight-Line	15-25 Years
Buildings and Improvements	5,000	Straight-Line	10-35 Years
Machinery and Equipment	5,000	Straight-Line	4-20 Years
Infrastructure	5,000	Straight-Line	25-50 Years

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

**6. Other Assets**

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**7. Compensated Absences**

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year-end are further discussed in Note 4.A.

**8. Long-Term Obligations**

In the government-wide financial statements and proprietary 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 type statement of net position. In the governmental fund financial statements, 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.

**9. Equity Classifications**

Fund equity, representing the difference between assets and liabilities, is classified as follows in the County's financial statements:

**Government-Wide Statements** – Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

**Fund Financial Statements** – In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that will never be converted to cash or will not be converted to cash soon enough to affect the current period. Restricted fund balance represents amounts available for appropriation but intended for a specific

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**9. Equity Classifications (Continued)**

**Fund Financial Statements (Continued)** – use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. It is the County's policy that at the end of each fiscal, the County will maintain unassigned portion of fund balance for cash flow in a range equal to 20 – 35 percent of the General Fund operating expenditure budget.

Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year-end. Fund balance policy #910 dated May 20, 2008 was adopted by the County Board in order to establish a framework for fund balance in the general fund. The County Board retains the authority to assign fund balance and does so annually at the May Board of Commissioner meeting for the previous year-end. When restricted and unrestricted fund balance is available for expenditure, it is the County's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available of expenditure, it is the County's policy to use committed, assigned and finally unassigned fund balance.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Deficit Fund Balance**

At December 31, 2012, the Family Court Counseling, and Snowmobile/ATV Trails nonmajor special revenue funds had deficit fund balances of \$10,972 and \$24,673, respectively. The County plans to eliminate these deficits through future tax levies.

**B. Expenditures in Excess of Budget**

At December 31, 2012, the County had the following fund with expenditures in excess of the approved budget:

Fund	Budget	Actual	Difference
Human Services	\$ 8,138,207	\$ 9,508,783	\$ (1,370,576)

The excess of expenditures over budget was financed with current year revenue budget excess and existing fund balance.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The County's cash and investments balances at December 31, 2012, totaled \$12,420,635 as shown in the financial statements as follows:

Governmental Funds	\$ 9,117,071
Proprietary Funds	2,395,919
Fiduciary Funds	907,645
Total Cash and Investments	<u>\$ 12,420,635</u>

The above cash and investments balances totaling \$12,420,635 consisted of the following:

**Treasurer's Cash and Investments**

Deposits at Financial Institutions		
County Funds	\$ 10,180,531	
Deposits in State Local Governments		
Pooled-Investment Fund	<u>1,672,812</u>	\$ 11,853,343

**Departmental Cash and Investments**

Deposits at Financial Institutions		
Funds Held in Trust	440,857	
Petty Cash	<u>8,105</u>	448,962

**Cash and Investments Held by Fiscal Agents**

Cafeteria Plan	3,500	
Cash Held by Mutual Insurance Corporation	<u>72,028</u>	75,528

**Restricted Cash and Investments**

Deposits in Financial Institutions		
Funds Held in Trust		42,802
Total Cash and Investments at December 31, 2012		<u>\$ 12,420,635</u>

**Deposits at Financial Institutions**

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. The County's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the *Wisconsin Statutes* (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time or savings deposits and up to \$250,000 for demand deposits at any institution. In addition, funds held in trust for individuals are subject to coverage in the name of the beneficiary in whose name the trust fund is held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the *Wisconsin Statutes* authorizes the County to collateralize its deposits that exceed the amount of coverage provided under federal depository insurance and the State Guarantee Fund.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Deposits at Financial Institutions (Continued)**

Custodial credit risk for deposits is the risk that, in the event of bank failure, the County's deposits may not be returned. At December 31, 2012, the County's deposits were not exposed to custodial credit risk.

**Investments**

Interest rate risk for investments is that changes in interest rates will adversely affect the fair value of an investment. The County's policy is to invest its funds in accordance with provisions of the *Wisconsin Statutes* previously discussed in Note 1.D.1.

**Deposits in State Local Government Pooled-Investment Fund.** The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2012 was 77 days.

Credit risk for investments is the risk that an issuer of other counterparty to an investment will not fulfill its obligation to the holder of the investment. The County's policy is to invest its funds in accordance with provisions of the *Wisconsin Statutes* previously discussed in Note 1.D.1.

**B. Receivables/Deferred Revenues**

**1. Taxes Receivable**

Taxes receivable at December 31, 2012 totaled \$27,129,753. The taxes receivable amount is broken out between \$26,338,696 (\$21,975,516 current and \$4,363,180 delinquent) for governmental funds and \$791,057 for Agency Funds.

Delinquent taxes receivable in the agency fund includes prior year delinquent special assessments and other charges due local taxing districts. These amounts will be remitted to the districts when collected by the County.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables/Deferred Revenues (Continued)**

**2. Long-Term Receivables**

Long-term receivables in the governmental funds at December 31, 2012 are further detailed as follows:

**Housing Rehabilitation Loans** – The County was awarded federal Community Development Block Grant (CDBG) Program grants through the State of Wisconsin for the purpose of financing housing rehabilitation loans. Repayments received on the original loans have been recorded in a separate housing revolving loan fund and are being used to finance similar loans eligible under the program. At December 31, 2012 the County had eighty-four (84) loans outstanding under this program with an outstanding balance of \$894,194 at that date. These loans are deferred until such time as the property is transferred or sold, at which time collections are recorded back into the revolving loan fund.

**3. Deferred / Unearned Revenues**

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

	Unavailable	Unearned	Total as of 12/31/12
2012 Tax Levy	\$ -	\$ 21,655,052	\$ 21,655,052
Grants			
General Fund	23,485	-	23,485
Human Services Fund	-	5,008	5,008
Bioterrorism	-	14,001	14,001
Highway Fund	53,493	-	53,493
Snowmobile/ATV Trails Fund	-	47,300	47,300
Long-Term Receivables			
Housing Rehabilitation Loans	894,194	-	894,194
Total	<u>\$ 971,172</u>	<u>\$ 21,721,361</u>	<u>\$ 22,692,533</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

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

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>General County Assets:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,734,080	\$ -	\$ -	\$ 1,734,080
Construction Work in Progress:				
Roadways	267,836	-	230,447	37,389
Total Capital Assets Not Being Depreciated	2,001,916	-	230,447	1,771,469
Capital Assets Being Depreciated:				
Land Improvements	575,040	-	-	575,040
Buildings and Improvements	33,766,848	-	-	33,766,848
Equipment and Vehicles	11,251,702	345,056	255,298	11,341,460
Highway Infrastructure	72,777,044	2,082,993	645,500	74,214,537
Other Infrastructure	1,353,910	-	-	1,353,910
Total Capital Assets Being Depreciated	119,724,544	2,428,049	900,798	121,251,795
Total Capital Assets	121,726,460	2,428,049	1,131,245	123,023,264
Accumulated Depreciation:				
Land Improvements	423,460	53,486	-	476,946
Buildings and Improvements	11,434,872	899,890	-	12,334,762
Equipment and Vehicles	4,517,296	737,880	245,350	5,009,826
Highway Infrastructure	28,076,024	1,713,231	645,500	29,143,755
Other Infrastructure	257,920	27,042	-	284,962
Total Accumulated Depreciation	44,709,572	3,431,529	890,850	47,250,251
Net Capital Assets - General County	<u>\$ 77,016,888</u>	<u>\$ (1,003,480)</u>	<u>\$ 240,395</u>	<u>\$ 75,773,013</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Governmental Activities (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Highway Department:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 17,719	\$ -	\$ -	\$ 17,719
Capital Assets Being Depreciated:				
Land Improvements	153,100	-	-	153,100
Buildings and Improvements	1,239,836	-	-	1,239,836
Machinery and Equipment	7,593,757	866,240	879,168	7,580,829
Other Capital Assets	33,413	-	-	33,413
Total Capital Assets Being Depreciated	9,020,106	866,240	879,168	9,007,178
Total Capital Assets	9,037,825	866,240	879,168	9,024,897
Accumulated Depreciation:				
Land Improvements	88,021	6,859	-	94,880
Buildings and Improvements	494,361	41,704	31,345	504,720
Machinery and Equipment	3,950,796	502,702	733,578	3,719,920
Other Capital Assets	27,350	756	-	28,106
Total Accumulated Depreciation	4,560,528	552,021	764,923	4,347,626
Net Capital Assets - Highway Department	\$ 4,477,297	\$ 314,219	\$ 114,245	\$ 4,677,271
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated	\$ 2,019,635	\$ -	\$ 230,447	\$ 1,789,188
Capital Assets Being Depreciated	128,744,650	3,294,289	1,779,966	130,258,973
Total Capital Assets	130,764,285	3,294,289	2,010,413	132,048,161
Less: Accumulated Depreciation	49,270,100	3,983,550	1,655,773	51,597,877
Net Capital Assets - Governmental Activities	\$ 81,494,185	\$ (689,261)	\$ 354,640	\$ 80,450,284

Depreciation expense was charged to governmental functions as follows:

Depreciation expense was charged to governmental functions as follows:

General County:

General Government	\$ 279,772
Public Safety	1,049,328
Transportation	1,691,523
Sanitation	25,620
Health and Human Services	300,604
Culture, Recreation and Education	69,447
Conservation and Development	15,235
Subtotal General County	3,431,529

Highway Department:

Transportation	552,021
Total	\$ 3,983,550

**POLK COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Nursing Home:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 6,605	\$ -	\$ -	\$ 6,605
Capital Assets Being Depreciated:				
Land Improvements	103,386	-	-	103,386
Buildings and Improvements	3,175,407	4,080	-	3,179,487
Fixed Equipment	835,186	-	-	835,186
Equipment and Vehicles	965,875	11,968	3,830	974,013
Total Capital Assets Being Depreciated	5,079,854	16,048	3,830	5,092,072
Total Capital Assets	5,086,459	16,048	3,830	5,098,677
Accumulated Depreciation:				
Land Improvements	97,170	1,781	-	98,951
Buildings and Improvements	2,002,430	80,073	-	2,082,503
Fixed Equipment	608,808	37,772	-	646,580
Equipment and Vehicles	740,119	46,696	3,830	782,985
Total Accumulated Depreciation	3,448,527	166,322	3,830	3,611,019
Net Capital Assets - Nursing Home	\$ 1,637,932	\$ (150,274)	\$ -	\$ 1,487,658
<b>Lime Fund:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 180,979	\$ -	\$ 6,622	\$ 174,357
Capital Assets Being Depreciated:				
Land Improvements	47,953	-	-	47,953
Buildings and Improvements	21,666	-	-	21,666
Machinery and Equipment	1,511,066	22,035	7,625	1,525,476
Total Capital Assets Being Depreciated	1,580,685	22,035	7,625	1,595,095
Total Capital Assets	1,761,664	22,035	14,247	1,769,452
Accumulated Depreciation:				
Land Improvements	34,058	-	-	34,058
Buildings and Improvements	21,440	-	-	21,440
Machinery and Equipment	826,295	94,181	7,610	912,866
Total Accumulated Depreciation	881,793	94,181	7,610	968,364
Net Capital Assets - Lime Fund	\$ 879,871	\$ (72,146)	\$ 6,637	\$ 801,088
<b>Business-Type Activities:</b>				
Capital Assets Not Being Depreciated	\$ 187,584	\$ -	\$ 6,622	\$ 180,962
Capital Assets Being Depreciated	6,660,539	38,083	11,455	6,687,167
Total Capital Assets	6,848,123	38,083	18,077	6,868,129
Less: Accumulated Depreciation	4,330,320	260,503	11,440	4,579,383
Net Capital Assets - Business-Type Activities	\$ 2,517,803	\$ (222,420)	\$ 6,637	\$ 2,288,746

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Business-Type Activities (Continued)**

Depreciation was charged to business-type activities as follows:

Depreciation expense was charged to the following business-type activities:

Nursing Home	\$ 166,322
Lime Operations	94,181
Total	<u>\$ 260,503</u>

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2012 was as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Immunization	\$ 34,825
General Fund	Family Court Counseling	10,472
General Fund	Aging Programs	182,127
General Fund	WIC	68
General Fund	ADRC Fund	87,731
General Fund	Nursing Home Fund	205,439
	Total	<u>\$ 520,662</u>

The above interfund balances represent the general fund's temporary financing of the cash overdrafts in the related funds at year-end.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivables, Payables and Transfers (Continued)**

**Advances from/to Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nursing Home Fund	\$ 844,833

Long-term advances due the general fund from the Polk County Nursing Home Enterprise Fund at December 31, 2012 totaled \$844,833 (\$101,072 current and \$743,761 noncurrent). Proceeds of a general obligation bond issue (retired in 1989) were advanced to the enterprise fund in 1979 to finance a construction project. The Enterprise Fund is to repay the principal balance to the General Fund at the rate of \$11,500 per year with the final payment of \$9,000 due March 1, 2015. The balance at December 31, 2012 was \$32,000. On April 10, 1997 the General Fund advanced \$180,000 to the enterprise fund. The loan is to be paid off over 20 years with an interest rate of 6.75 percent, with annual principal installments of \$9,000. The balance at December 31, 2012 was \$27,000. A State Trust Fund loan dated September 27, 1995 issued for nursing home purposes was assumed by the County and treated as an advance to the Home. The advance is to be paid off over 20 years with interest at five percent, with annual installments of \$11,922. The balance at December 31, 2012 was \$35,766. On April 1, 2008, the General Fund advanced \$889,910 to the enterprise fund. The loan is to be paid-off over nine years with an interest rate of four percent and principal payments varying from \$20,341 to \$213,578. The balance at December 31, 2012 was \$750,067.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivables, Payables and Transfers (Continued)**

**Interfund Transfers**

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Sales Tax Fund (NM)	\$ 2,250,000
General Fund	Aging Fund (NM)	57,773
General Fund	Jail Assessment Fund (NM)	35,000
Human Services Fund	General Fund	297,731
Human Services Fund	Drivers Improvement Fund (NM)	39,034
Debt Service Fund	Jail Assessment Fund (NM)	40,000
Debt Service Fund	2007 Bond Capital Projects Fund (NM)	1,768
Highway Fund	Capital Projects Fund (NM)	250,000
	Total	<u>\$ 2,971,306</u>

The transfer from the Nonmajor Governmental Funds to the General Fund consisted of the amounts applied to the 2012 budget. The Transfer to the Human Services Fund from the General Fund was to cover the 2012 fund balance deficit. The additional transfer to the Human Services Fund represented the application of driver improvement fees.

Transfers to the Debt Service Fund were to repay debt from the Nonmajor Governmental Funds. Transfers to the Highway Fund from the capital projects fund were to support highway operations.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

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

	Balance 1/1/12	Issued	Retired	Balance 12/31/12	Amounts Due Within One Year
<b>Long-Term Debt</b>					
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 19,305,000	\$ 1,865,000	\$ 1,670,000	\$ 19,500,000	\$ 2,785,000
General Obligation Notes	5,970,000	-	3,020,000	2,950,000	27,000
State Trust Fund Loan	261,230	-	128,513	132,717	132,717
Add: Unamortized Bond Premiums	861,587	32,781	99,314	795,054	-
<b>Business-Type Activities</b>					
General Obligation Notes	60,172	-	5,597	54,575	5,912
Capital Lease	12,573	-	4,197	8,376	4,455
<b>Total Long-Term Debt</b>	<u>\$ 26,470,562</u>	<u>\$ 1,897,781</u>	<u>\$ 4,927,621</u>	<u>\$ 23,440,722</u>	<u>\$ 2,955,084</u>
<b>Other Long-Term Obligations</b>					
<b>Governmental Activities</b>					
<b>Governmental Funds</b>					
Forest Loans Payable	\$ 318,417	\$ 8,223	\$ 102,040	\$ 224,600	\$ -
Capital Leases	283,241	-	26,731	256,510	27,809
Employee Leave Liability	1,408,081	1,675,354	1,384,010	1,699,425	1,267,627
Other Postemployment Health Care Benefits	919,079	351,505	168,519	1,102,065	-
<b>Highway Internal Service Fund</b>					
Capital Leases	32,997	-	32,997	-	-
Employee Leave Liability	265,445	231,142	207,683	288,904	218,996
<b>Total Other Long-Term Obligations</b>	<u>\$ 3,227,260</u>	<u>\$ 2,266,224</u>	<u>\$ 1,921,980</u>	<u>\$ 3,571,504</u>	<u>\$ 1,514,432</u>
<b>Business-Type Activities</b>					
<b>Nursing Home Enterprise Fund</b>					
Employee Leave Liability	\$ 239,046	\$ 233,944	\$ 239,046	\$ 233,944	\$ 233,944
Other Postemployment Benefits	218,669	83,483	40,412	261,740	-
<b>Lime Enterprise Fund</b>					
Employee Leave Liability	27,031	27,306	15,747	38,590	29,176
Other Postemployment Health Care Benefits	11,488	4,394	2,106	13,776	-
<b>Total Other Long-Term Obligations</b>	<u>\$ 496,234</u>	<u>\$ 349,127</u>	<u>\$ 297,311</u>	<u>\$ 548,050</u>	<u>\$ 263,120</u>

Other long-term obligations for governmental activities are normally liquidated within the general fund and state aid forestry funds.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt**

**Annual Requirements for Retirement.** Long-term general obligation debt issues outstanding at December 31, 2012 and annual requirements for their retirement were as follows:

	Year	Principal	Interest	Total
<b>Governmental Activities:</b>				
<b>General Obligation Bonds:</b>				
General Obligation Refunding Bonds, \$18,500,000, Issued 3/15/05, Due 12/1/21, Interest at 3.00%-5.00%.	2013	\$ 1,290,000	\$ 803,630	\$ 2,093,630
	2014	2,090,000	748,805	2,838,805
	2015	2,345,000	644,305	2,989,305
	2016	2,620,000	527,055	3,147,055
	2017	1,860,000	396,055	2,256,055
	2018-2021	6,850,000	707,275	7,557,275
Subtotal		17,055,000	3,827,125	20,882,125
General Obligation Refunding Bonds, \$1,865,000 Issued 10/25/13, Due 12/1/14, Interest at 1.50%-1.75%.	2013	915,000	33,385	948,385
	2014	950,000	16,625	966,625
Subtotal		1,865,000	50,010	1,915,010
General Obligation Bonds, \$12,105,000, Issued 4/1/02, Due 12/1/13, Interest at 3.00%-5.00% (2014-2021 Maturities Defeased in 2005).	2013	580,000	29,000	609,000
<b>General Obligation Notes:</b>				
General Obligation Promissory Notes, \$3,500,000, Issued 12/15/07, Due 12/1/17, Interest at 4.00%.	2013	270,000	118,000	388,000
	2014	255,000	107,200	362,200
	2015	775,000	97,000	872,000
	2016	810,000	66,000	876,000
	2017	840,000	33,600	873,600
Subtotal		2,950,000	421,800	3,371,800

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt (Continued)**

**Annual Requirements for Retirement (Continued).**

	Year	Principal	Interest	Total
<b>Governmental Activities (Continued):</b>				
<b>State Trust Fund Loan:</b>				
State Trust Fund Loan, \$500,000, Issued 10/20/08, Due 10/20/13, Interest at 3.25%.	2013	\$ 132,717	\$ 4,313	\$ 137,030
Total Governmental Activities		22,582,717	4,332,248	26,914,965
<b>Business-Type Activities (Nursing Home):</b>				
<b>General Obligation Notes:</b>				
Bank Note, \$90,000, dated 12/31/05, semiannual payments of \$4,131 on 4/1 and 10/1, final payment 10/1/15.	2013	5,912	2,351	8,263
	2014	6,178	2,805	8,983
	2015	42,485	1,807	44,292
Total Business-Type Activities		54,575	6,963	61,538
Total General Obligation Debt		<u>\$ 22,637,292</u>	<u>\$ 4,339,211</u>	<u>\$ 26,976,503</u>

**General Obligation Debt Limitation.** Section 67.03 of the *Wisconsin Statutes* restricts County general obligation debt to 5 percent of the equalized value of all property in the County. At December 31, 2012, the County's debt limit amounted to \$237,011,105 and indebtedness subject to the limitation totaled \$22,637,292.

On October 25, 2012 the County issued \$1,865,000 of general obligation promissory notes. The proceeds were used for the current refunding on December 1, 2012 of the outstanding maturities totaling \$1,865,000 of the general obligation promissory note dated September 1, 2005. The refunding resulted in a cash flow savings of approximately \$65,961 and a present value savings of approximately \$64,850.

**Operating Leases.** The County has entered into a number of leases for the use of equipment and vehicles. The 2012 expenditures for these leases was \$91,567. Minimum lease payments over the term of these leases are as follows:

Year	Total
2013	\$ 48,006
2014	20,195
2015	7,857
2016	2,737
Total	<u>\$ 78,795</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt (Continued)**

**Capital Leases.** The County has entered into a lease for the use of a Caterpillar in the Highway Fund. The County also entered into a lease for the purchase of energy conservation equipment. Golden Age Manor also entered into a capital lease for equipment. The assets acquired through capital leases are as follows:

	Governmental Funds	Highway Internal Service Fund	Governmental Activities	Business-Type Activities
Equipment	\$ 441,048	\$ 134,350	\$ 575,398	\$ 20,846
Less: Accumulated Depreciation	(56,926)	(63,759)	(120,685)	(12,507)
Total	<u>\$ 384,122</u>	<u>\$ 70,591</u>	<u>\$ 454,713</u>	<u>\$ 8,339</u>

Minimum lease payments over the term of the lease are as follows:

Year	Governmental Funds	Highway Internal Service Fund	Governmental Activities Total	Business- Type Activities
2013	\$ 38,146	\$ -	\$ 38,146	\$ 4,455
2014	38,146	-	38,146	3,921
2015	38,146	-	38,146	-
2016	38,146	-	38,146	-
2017	38,146	-	38,146	-
2018-2020	114,438	-	114,438	-
Subtotal	<u>305,168</u>	<u>-</u>	<u>305,168</u>	<u>8,376</u>
Less: Interest	<u>(48,658)</u>	<u>-</u>	<u>(48,658)</u>	<u>-</u>
Total	<u>\$ 256,510</u>	<u>\$ -</u>	<u>\$ 256,510</u>	<u>\$ 8,376</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt (Continued)**

**County Forest Loans.** Under Section 28.11(8) of the *Wisconsin Statutes*, counties which have established and maintained a County forest are eligible to receive annual payments from the state as a non-interest bearing loan to be used for the purchase, development, preservation and maintenance of the County forest lands. On timber cut from lands entered as "County forest lands", the County shall pay a severance share of not less than 20 percent of the actual stumpage sales value of timber. A higher rate of payment may be applied if agreed upon by the state and County. These severance share payments shall be credited against the cumulative payments made by the state to the County. Severance share payments shall not exceed the balance due the state. The County shall also reimburse the state the amount previously paid to the County on any County forest land withdrawn from the program; except that the state may waive all or part of such reimbursement if it finds that the lands are withdrawn for a higher public use or that the amount of such reimbursement is unreasonable when compared to the value of the land.

The cumulative loan balance due the state by the County under this program was \$224,600 at December 31, 2012.

**F. Conduit Debt**

The County was a party to a "joint powers and parity agreement" in 2006 among Polk County, the Town of St. Croix Falls, the Town of Milltown, and the Village of Milltown (collectively referred to as the Municipalities), St. Croix Regional Medical Center, Inc. (the Obligor) and U.S. Bank National Association, a national banking association (the Lender) for the purpose of the issuance of \$13 million of health care facilities revenue bonds by the Municipalities to the Lender in May 2006 with the proceeds therefore to be used by the Obligor for capital improvements and debt refinancing. Bonds issued by the County totaled \$5.0 million (Series 2006A). The bonds are subject to repayment solely from payments received by the Lender from the Obligor in accordance with underlying mortgage assignments and related agreements. The bonds are special limited obligations of the Municipalities and do not constitute a moral or general obligation of the Municipalities. In addition, the County issued \$4.3 million of health care facilities revenues bonds Series 2006B in December 2006. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance of the collective debt was \$10,447,239 at June 30, 2012 per audited financial statements of the Obligor.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at December 31, 2012 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
<b>Major Funds:</b>						
General Fund						
Delinquent Taxes	\$ 4,363,180	\$ 4,363,180	\$ -	\$ -	\$ -	\$ -
Interfund Advances	844,833	844,833	-	-	-	-
Redactions	91,634	-	91,634	-	-	-
Federal Forfeiture	43,788	-	43,788	-	-	-
Veterans Services Grant	673	-	673	-	-	-
Veterans Relief Grant	3,694	-	3,694	-	-	-
Library Operations	68,515	-	68,515	-	-	-
Internet Services	27,167	-	27,167	-	-	-
Maintenance of Forest Roads	13,915	-	13,915	-	-	-
Recycling	93,656	-	-	93,656	-	-
Conservation Projects	10,554	-	-	10,554	-	-
Meth Donations	1,083	-	-	1,083	-	-
Wildlife Damage	1,194	-	-	1,194	-	-
Asset Protection and Internal Investment	600,000	-	-	-	600,000	-
Employee Retirement	300,000	-	-	-	300,000	-
ACT 150	23	-	-	-	23	-
Vending Machines	14,271	-	-	-	14,271	-
Employee Relations	27,500	-	-	-	27,500	-
Administration	36,249	-	-	-	36,249	-
Law Enforcement	77,310	-	-	-	77,310	-
Buildings	246,183	-	-	-	246,183	-
Unassigned	6,739,432	-	-	-	-	6,739,432
Subtotal General Fund	13,604,854	5,208,013	249,386	106,487	1,301,536	6,739,432
Human Services Fund	-	-	-	-	-	-
Debt Service Fund	177,871	-	177,871	-	-	-
<b>Nonmajor Funds:</b>						
Special Revenue Funds:						
Public Health Programs	266,626	-	266,626	-	-	-
Family Court Counseling Program	(10,972)	-	-	-	-	(10,972)
Jail Assessment Fees Program	90,444	-	90,444	-	-	-
Bioterrorism Consortium Program	55,139	-	55,139	-	-	-
Dog License Fund	1	-	1	-	-	-
Drivers Improvement Program	2,788	-	2,788	-	-	-
Park Dedication Program	31,707	-	31,707	-	-	-
Snowmobile/ATV Trails	(24,673)	-	-	-	-	(24,673)
State Aid Forestry Program	27,234	-	27,234	-	-	-
Lake Improvement Program	89,282	-	89,282	-	-	-
Community Development Block						
Grant Program	51,298	-	51,298	-	-	-
County Sales Tax Program	803,308	-	-	-	803,308	-
ADRC Fund	47,638	-	47,638	-	-	-
Capital Projects Fund:						
G.O. Bond 2007	34	-	34	-	-	-
Subtotal Nonmajor Funds	1,429,854	-	662,191	-	803,308	(35,645)
Total Governmental Funds Balances at December 31, 2012	<u>\$ 15,212,579</u>	<u>\$ 5,208,013</u>	<u>\$ 1,089,448</u>	<u>\$ 106,487</u>	<u>\$ 2,104,844</u>	<u>\$ 6,703,787</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION**

**A. Employee Leave Liability**

Employees earn one day of sick leave per month with a maximum accumulation of one hundred twenty (120) days, except for law enforcement employees who are not subject to the maximum accumulation. Employees eligible for retirement as defined by the Wisconsin Retirement System have the option, upon retirement, of receiving payment for one-half of their accumulated sick leave up to a maximum of forty-five days or electing to bank the equivalent of 67 percent of their accrued sick leave for payment of health insurance premiums. For members of the law enforcement bargaining unit, the County is to transfer the total value of the accrued sick leave to the retiree's VEBA account. At December 31, 2012, sick leave earned and not taken was approximately \$77,444 in the nursing home enterprise fund, \$18,828 in the lime quarry enterprise fund, \$139,819 in the highway department internal service fund and \$863,593 in the governmental funds determined on the basis of current salary rates. The County has used the 67 percent maximum liability for employees eligible for retirement to determine its estimated liability.

Vacation is granted to employees in varying amounts based on length of service. Vacation for part-time employees is prorated. Employees are allowed to carry over to the following year one-half of their current year vacation. The estimated value of unrecorded vacation leave at December 31, 2012, was \$156,500 in the nursing home enterprise fund, \$19,762 in the lime quarry enterprise fund, \$149,085 in the highway department internal service fund, and \$835,832 in the governmental funds.

**B. Employee Retirement Plan**

All eligible Polk County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 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. Note: 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 6.5% of their salary (3.9% for executive and elected officials, 5.8% for protective occupations with social security, and 4.8% 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.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Employee Retirement Plan (Continued)**

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 contributions 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 for 2012 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.90%	5.90%
Executives and Elected Officials	7.05%	7.05%
Protective with Social Security	5.90%	9.00%
Protective without Social Security	5.90%	11.30%

The payroll for County employees covered by the WRS for the year ended December 31, 2012 was \$20,935,746; the employer's total payroll was \$21,802,033. The total required contribution for the year ended December 31, 2012 was \$2,593,003. Actual contributions consisted of \$1,355,177, or 6.5 percent of payroll from the employer and \$1,237,826, or 5.9 percent of payroll from employees, which represents 100.0% of the required contribution. Total contributions for the years ending December 31, 2011 and 2010 were \$2,547,956 and \$2,386,659, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employees' three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five year of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility for 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.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. OPEB Disclosure**

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. The County provides benefits for retirees as required by state statutes. Active employees who retire from the County when eligible to receive a retirement benefit from the Wisconsin Retirement System (WRS) (or similar plan) and do not participate in any other coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. Pursuant to the provisions of the plan, retirees are required to pay varying percentages of the total premium cost. As of January 1, 2012, there were approximately 37 retirees receiving health benefits from the County's health plan.

**1. Annual OPEB Cost and Net OPEB Obligation**

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of fund that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost of 2012, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual Required Contribution (ARC):	\$ 458,197
Interest on Net OPEB Obligation	51,698
Adjustment to ARC	(70,512)
Annual OPEB Cost	439,383
Contributions During the Year	(210,651)
Change in Net OPEB Obligation	228,732
Net OPEB - Beginning of the Year	1,148,849
Net OPEB - End of the Year	<u>\$ 1,377,581</u>
Governmental Activities	\$ 1,102,065
Business-Type Activities	275,516
Total OPEB Payable	<u>\$ 1,377,581</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2012 were as follows:

Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
December 31, 2012	\$ 439,383	\$ 242,853	55.3 %	\$ 1,377,581
December 31, 2011	571,862	183,217	32.0	1,148,849
December 31, 2010	564,850	183,217	32.4	819,840

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. OPEB Disclosure (Continued)**

**2. Funding Status**

The County currently has no assets that have been irrevocably deposited in the trust for future health benefits. Therefore, the actuarial value of assets is zero.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
1/1/12	\$ -	\$ 3,190,150	\$ 3,190,150	- %	\$ 19,212,443	16.6 %

**3. Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent discount rate, which is based on the estimated long-term investment yield on the general assets of the County using an underlying long-term inflation assumption of 2.5 percent. The annual healthcare cost trend rate is 8.0 percent initially, reduced incrementally to an ultimate rate of 5.0 percent over six years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Risk Management**

The County is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage to cover each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County.

The County's liability insurance is provided by Wisconsin County Mutual Insurance Corporation (Corporation). The Corporation is a nonprofit corporation established by the Wisconsin Counties Association to provide general, auto and other liability insurance, substantially at cost and up to stated amounts, for its member counties. Wisconsin counties in good standing with the Wisconsin Counties Association are eligible to be members of the Corporation. Polk County, together with fifty-four other counties, is a member of the Corporation. This policy is assessable; therefore, to the extent actual losses and loss adjustment expenses vary from recorded amounts, policyholders may be required to make additional premium payments at such times as any excess of deficiency of losses and loss adjustment expenses is known. To date, no additional assessments have been made. All contributions by the Counties to provide initial support for the Corporation have been returned to the Counties. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage in any of the past three fiscal years.

The County has established a self-funded health insurance program. This program is funded by "premiums" charged monthly to the various County departments based on actual participation by employees and by payments from current and retired employees for their share of the cost. The plan is administered on a contract basis by an outside party. Claims are paid by the administrator and are reimbursed by the County. Reinsurance for both specific and annual aggregate stop-loss coverage is provided. Specific stop-loss covers individual claims in excess of \$85,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$5,699,464. The fund had a balance at December 31, 2012 of \$688,331.

Changes in the claims liabilities for 2012 and 2011 for the health insurance fund were as follows:

	2012	2011
Estimated Claims Outstanding - January 1	\$ 453,547	\$ 524,775
Current Year Claims and Changes	6,155,198	5,403,896
Claim Payments	(6,182,133)	(5,475,124)
Estimated Claims Outstanding - December 31	<u>\$ 426,612</u>	<u>\$ 453,547</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**E. Contingencies**

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County's legal advisors 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.

**F. Prior Period Adjustment**

In prior years, the nursing home recorded a contribution from the County in the amount of \$123,548 related to the anticipated transfer of funds for funding capital outlays. During 2012, it was determined that the contribution was recorded in error. As a result, a prior period adjustment was required to correctly state cash and net position balances as of January 1, 2011. The impact of the prior period adjustment on the statement of net position and statement of revenues, expenses and changes in net position is reflected as:

	Nursing Home Fund	Business-Type Activities
Net Position - Beginning of Year, As Originally Stated	\$ 119,027	\$ 1,496,107
Prior Period Adjustment	<u>(123,548)</u>	<u>(123,548)</u>
Net Position - Beginning of Year, As Restated	<u>\$ (4,521)</u>	<u>\$ 1,372,559</u>

## **REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**

**POLK COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 14,396,027	\$ 14,396,027	\$ 14,387,387	\$ (8,640)
Intergovernmental	3,258,084	3,258,084	3,286,829	28,745
Licenses and Permits	291,110	291,110	258,186	(32,924)
Fines and Forfeits	125,850	125,850	127,885	2,035
Public Charges for Services	2,372,315	2,372,315	2,455,338	83,023
Intergovernmental Charges for Services	316,710	316,710	246,274	(70,436)
Miscellaneous:				
Interest	89,982	89,982	94,208	4,226
Rent	293,609	293,609	285,891	(7,718)
Other	70,325	70,325	114,736	44,411
Total Revenues	21,214,012	21,214,012	21,256,734	42,722
<b>EXPENDITURES</b>				
General Government				
Legislative	137,254	137,254	87,348	49,906
Judicial	1,119,499	1,119,499	1,230,819	(111,320)
Legal	646,764	646,764	618,877	27,887
General Administration	1,882,883	1,882,883	1,872,022	10,861
Financial Administration	210,962	210,962	210,121	841
General Buildings and Plant	1,256,996	1,256,996	1,138,213	118,783
Property Records and Control	386,122	386,122	304,071	82,051
Tax Deed Expense and Refunds	34,655	34,655	29,085	5,570
Property and Liability Insurance	458,600	458,600	276,921	181,679
Other General Government	12,609	12,609	2,803	9,806
Total General Government	6,146,344	6,146,344	5,770,280	376,064
Public Safety				
Sheriff and Traffic	4,672,490	4,672,490	4,560,911	111,579
Emergency Service and Disaster Control	115,413	115,413	102,858	12,555
Corrections and Detention	2,572,072	2,572,072	2,533,701	38,371
Total Public Safety	7,359,975	7,359,975	7,197,470	162,505
Transportation Facilities				
Appropriations to Highway Department	4,294,698	4,294,698	4,294,698	-
Sanitation				
Recycling	556,796	556,796	513,469	43,327
Solid Waste Management	52,570	52,570	28,981	23,589
Clean Sweep	7,804	7,804	14,213	(6,409)
Total Sanitation	617,170	617,170	556,663	60,507

The Notes to the Required Supplementary Information are an Integral Part of this Schedule.

**POLK COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Health and Human Services				
General Health	\$ 1,826,813	\$ 1,826,813	\$ 1,775,974	\$ 50,839
Social Services	509,220	509,220	497,841	11,379
Aging Programs	22,039	22,039	10,563	11,476
Veterans	157,488	157,488	149,759	7,729
Total Health and Human Services	2,515,560	2,515,560	2,434,137	81,423
Culture, Recreation and Education				
Culture	799,993	799,993	714,389	85,604
Public Areas	135,526	135,526	130,009	5,517
Recreation Facilities	22,750	22,750	22,485	265
Education	263,810	263,810	239,608	24,202
Total Culture, Recreation, and Education	1,222,079	1,222,079	1,106,491	115,588
Conservation and Development				
Resource Conservation	827,260	827,260	764,144	63,116
Planning	31,695	31,695	31,695	-
Zoning	806,192	806,192	720,039	86,153
Economic Development	103,772	103,772	105,856	(2,084)
Total Conservation and Development	1,770,429	1,770,429	1,623,685	146,744
Total Expenditures	23,926,255	23,926,255	22,983,424	942,831
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,712,243)	(2,712,243)	(1,726,690)	985,553
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,285,000	2,285,000	2,342,773	57,773
Transfers Out	-	-	(297,731)	(297,731)
Total Other Financing Sources (Uses)	2,285,000	2,285,000	2,045,042	(239,958)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (427,243)</u>	<u>\$ (427,243)</u>	318,352	<u>\$ 745,595</u>
Fund Balance - Beginning of Year			13,286,502	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 13,604,854</u>	

*The Notes to the Required Supplementary Information are an Integral Part of this Schedule.*

**POLK COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
HUMAN SERVICES FUND  
YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,666,574	\$ 3,666,574	\$ 3,666,574	\$ -
Intergovernmental	3,392,684	3,392,684	3,361,423	(31,261)
Public Charges for Services	1,013,949	1,013,949	2,144,021	1,130,072
Total Revenues	<u>8,073,207</u>	<u>8,073,207</u>	<u>9,172,018</u>	<u>1,098,811</u>
<b>EXPENDITURES</b>				
Health and Human Services	<u>8,138,207</u>	<u>8,138,207</u>	<u>9,508,783</u>	<u>(1,370,576)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(65,000)	(65,000)	(336,765)	(271,765)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>44,000</u>	<u>44,000</u>	<u>336,765</u>	<u>292,765</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (21,000)</u>	<u>\$ (21,000)</u>	-	<u>\$ 21,000</u>
Fund Balance - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

*The Notes to the Required Supplementary Information are an Integral Part of this Schedule.*

**POLK COUNTY, WISCONSIN**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2012**

**BUDGETARY INFORMATION**

GASB 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund and human services fund is derived from the County's annual operating budget.

The County's annual operating budget is adopted in accordance with Chapter 65 of the *Wisconsin Statutes* and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The County's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The County exercises budgetary expenditure control at the fund level.

Budget amounts in the financial statements include both the original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Human Services	\$ 8,138,207	\$ 9,508,783	\$ (1,370,576)

The above overage was financed by department revenues in excess of budgeted amounts.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF FUNDING PROGRESS  
OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS  
YEAR ENDED DECEMBER 31, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
1/1/12	\$ -	\$ 3,190,150	\$ 3,190,150	- %	\$ 19,212,443	16.6 %
1/1/10	-	3,792,052	3,792,052	-	19,599,006	19.3
1/1/08	-	3,244,954	3,244,954	-	21,215,099	15.3

## **SUPPLEMENTARY INFORMATION**

## **COMBINING AND INDIVIDUAL FUND STATEMENTS**

**POLK COUNTY, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

Special Revenue Funds									
	Public Health	Aging Programs	Family Court Counseling	Jail Assessment Fees	Bioterrorism Consortium	Dog License	Drivers Improvement	Park Dedication	Snowmobile/ ATV Trails
<b>ASSETS</b>									
Treasurer's Cash and Investments	\$ 261,322	\$ -	\$ -	\$ 87,777	\$ 68,945	\$ 4,961	\$ -	\$ 31,707	\$ 22,772
Taxes Receivable	122,728	-	-	-	-	-	-	-	-
Accounts Receivable	76,444	15,650	250	2,667	5,221	-	2,788	-	-
Due from Other Governmental Units	-	190,087	-	-	-	-	-	-	-
Long-Term Receivables	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 460,494</u>	<u>\$ 205,737</u>	<u>\$ 250</u>	<u>\$ 90,444</u>	<u>\$ 74,166</u>	<u>\$ 4,961</u>	<u>\$ 2,788</u>	<u>\$ 31,707</u>	<u>\$ 22,772</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Vouchers Payable	\$ 21,030	\$ 18,893	\$ 750	\$ -	\$ 1,963	\$ 4,960	\$ -	\$ -	\$ 145
Accrued Wages Payable	15,217	4,717	-	-	3,063	-	-	-	-
Due to Other Funds	34,893	182,127	10,472	-	-	-	-	-	-
Deferred Revenues:									
Tax Levy	122,728	-	-	-	-	-	-	-	-
Long-Term Receivables	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	14,001	-	-	-	47,300
Total Liabilities	193,868	205,737	11,222	-	19,027	4,960	-	-	47,445
<b>FUND BALANCES</b>									
Restricted	266,626	-	-	90,444	55,139	1	2,788	31,707	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(10,972)	-	-	-	-	-	(24,673)
Total Fund Balances	266,626	-	(10,972)	90,444	55,139	1	2,788	31,707	(24,673)
Total Liabilities and Fund Balances	<u>\$ 460,494</u>	<u>\$ 205,737</u>	<u>\$ 250</u>	<u>\$ 90,444</u>	<u>\$ 74,166</u>	<u>\$ 4,961</u>	<u>\$ 2,788</u>	<u>\$ 31,707</u>	<u>\$ 22,772</u>

**POLK COUNTY, WISCONSIN  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	Special Revenue Funds (Continued)							
	State Aided Forestry Fund	Lake Improvement	Sanitary Systems Grants	Community Development Block Grant	County Sales Tax Fund	ADRC Fund	Criminal Justice Collaborative Fund	Total Special Revenue Funds
<b>ASSETS</b>								
Treasurer's Cash and Investments	\$ 27,234	\$ 89,282	\$ -	\$ 51,298	\$ 592,271	\$ -	\$ -	\$ 1,237,569
Taxes Receivable	-	-	-	-	-	111,653	-	234,381
Accounts Receivable	-	-	-	-	-	212,240	-	315,260
Due from Other Governmental Units	-	-	-	-	211,037	-	-	401,124
Long-Term Receivables	-	-	-	894,194	-	-	-	894,194
Total Assets	<u>\$ 27,234</u>	<u>\$ 89,282</u>	<u>\$ -</u>	<u>\$ 945,492</u>	<u>\$ 803,308</u>	<u>\$ 323,893</u>	<u>\$ -</u>	<u>\$ 3,082,528</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,050	\$ -	\$ 113,791
Accrued Wages Payable	-	-	-	-	-	10,821	-	33,818
Due to Other Funds	-	-	-	-	-	87,731	-	315,223
Deferred Revenues:								
Tax Levy	-	-	-	-	-	111,653	-	234,381
Long-Term Receivables	-	-	-	894,194	-	-	-	894,194
Other	-	-	-	-	-	-	-	61,301
Total Liabilities	-	-	-	894,194	-	276,255	-	1,652,708
<b>FUND BALANCES</b>								
Restricted	27,234	89,282	-	51,298	-	47,638	-	662,157
Assigned	-	-	-	-	803,308	-	-	803,308
Unassigned	-	-	-	-	-	-	-	(35,645)
Total Fund Balances	<u>27,234</u>	<u>89,282</u>	<u>-</u>	<u>51,298</u>	<u>803,308</u>	<u>47,638</u>	<u>-</u>	<u>1,429,820</u>
Total Liabilities and Fund Balances	<u>\$ 27,234</u>	<u>\$ 89,282</u>	<u>\$ -</u>	<u>\$ 945,492</u>	<u>\$ 803,308</u>	<u>\$ 323,893</u>	<u>\$ -</u>	<u>\$ 3,082,528</u>

**POLK COUNTY, WISCONSIN  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	<u>Capital Projects Fund</u>	
	2007	Total
	General	Nonmajor
	Obligation	Governmental
	Bonds	Funds
<b>ASSETS</b>		
Treasurer's Cash and Investments	\$ 34	\$ 1,237,603
Taxes Receivable	-	234,381
Accounts Receivable	-	315,260
Due from Other Governmental Units	-	401,124
Long-Term Receivables	-	894,194
Total Assets	<u>\$ 34</u>	<u>\$ 3,082,562</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Vouchers Payable	\$ -	\$ 113,791
Accrued Wages Payable	-	33,818
Due to Other Funds	-	315,223
Deferred Revenues:		
Tax Levy	-	234,381
Long-Term Receivables	-	894,194
Other	-	61,301
Total Liabilities	<u>-</u>	<u>1,652,708</u>
<b>FUND BALANCES</b>		
Restricted	34	662,191
Assigned	-	803,308
Unassigned	-	(35,645)
Total Fund Balances	<u>34</u>	<u>1,429,854</u>
Total Liabilities and Fund Balances	<u>\$ 34</u>	<u>\$ 3,082,562</u>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	Special Revenue Funds								
	Public Health	Aging Programs	Family Court Counseling	Jail Assessment Fees	Bioterrorism Consortium	Dog License	Drivers Improvement	Park Dedication	Snowmobile/ ATV Trails
<b>REVENUES</b>									
Taxes	\$ 108,302	\$107,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	599,921	450,853	-	-	190,206	-	-	-	114,690
Licenses and Permits	-	-	-	-	-	20,802	40,421	-	-
Fines, Forfeits and Penalties	-	-	-	46,812	-	-	-	-	-
Public Charges for Services	501,576	131,028	9,615	-	-	-	-	-	-
Miscellaneous:									
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	1,209,799	689,833	9,615	46,812	190,206	20,802	40,421	-	114,690
<b>EXPENDITURES</b>									
General Government	-	-	11,932	-	-	-	-	-	-
Public Safety	-	-	-	-	176,955	-	-	-	-
Health and Human Services	1,198,642	608,672	-	-	-	20,801	-	-	-
Culture, Recreation and Education	-	-	-	-	-	-	-	566	67,862
Conservation and Development	-	-	-	-	-	-	-	-	-
Debt Service									
Principal Retirement	-	-	-	-	-	-	-	-	-
Total Expenditures	1,198,642	608,672	11,932	-	176,955	20,801	-	566	67,862
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	11,157	81,161	(2,317)	46,812	13,251	1	40,421	(566)	46,828
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfer Out	-	(57,773)	-	(75,000)	-	-	(39,034)	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(57,773)	-	(75,000)	-	-	(39,034)	-	-
<b>NET CHANGE IN FUND BALANCES</b>	11,157	23,388	(2,317)	(28,188)	13,251	1	1,387	(566)	46,828
Fund Balances (Deficits) - Beginning of Year	255,469	(23,388)	(8,655)	118,632	41,888	-	1,401	32,273	(71,501)
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ 266,626</u>	<u>\$ -</u>	<u>\$ (10,972)</u>	<u>\$ 90,444</u>	<u>\$ 55,139</u>	<u>\$ 1</u>	<u>\$ 2,788</u>	<u>\$ 31,707</u>	<u>\$ (24,673)</u>

**POLK COUNTY, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2012**

	Special Revenue Funds (Continued)							
	State Aided Forestry Fund	Lake Improvement	Sanitary Systems Grants	Community Development Block Grant	County Sales Tax Fund	ADRC Fund	Criminal Justice Collaborative Fund	Total Special Revenue Funds
<b>REVENUES</b>								
Taxes	\$ 102,039	\$ -	\$ -	\$ -	\$ 2,461,037	\$ -	\$ -	\$ 2,779,330
Intergovernmental	-	-	12,695	-	-	803,251	-	2,171,616
Licenses and Permits	-	-	-	-	-	-	-	61,223
Fines, Forfeits and Penalties	-	-	-	-	-	-	-	46,812
Public Charges for Services	-	-	-	-	-	-	-	642,219
Miscellaneous:								
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	14,870	-	915	3,457	19,242
Total Revenues	102,039	-	12,695	14,870	2,461,037	804,166	3,457	5,720,442
<b>EXPENDITURES</b>								
General Government	-	-	-	-	-	-	-	11,932
Public Safety	-	-	-	-	-	-	16,783	193,738
Health and Human Services	-	-	-	-	-	765,579	-	2,593,694
Culture, Recreation and Education	-	-	-	-	-	-	-	68,428
Conservation and Development	1,411	905	12,695	144	-	-	-	15,155
Debt Service								
Principal Retirement	102,039	-	-	-	-	-	-	102,039
Total Expenditures	103,450	905	12,695	144	-	765,579	16,783	2,984,986
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,411)	(905)	-	14,726	2,461,037	38,587	(13,326)	2,735,456
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer Out	-	-	-	-	(2,250,000)	-	-	(2,421,807)
Loan Proceeds	8,223	-	-	-	-	-	-	8,223
Total Other Financing Sources (Uses)	8,223	-	-	-	(2,250,000)	-	-	(2,413,584)
<b>NET CHANGE IN FUND BALANCES</b>	6,812	(905)	-	14,726	211,037	38,587	(13,326)	321,872
Fund Balances (Deficits) - Beginning of Year	20,422	90,187	-	36,572	592,271	9,051	13,326	1,107,948
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ 27,234</u>	<u>\$ 89,282</u>	<u>\$ -</u>	<u>\$ 51,298</u>	<u>\$ 803,308</u>	<u>\$ 47,638</u>	<u>\$ -</u>	<u>\$ 1,429,820</u>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	Capital Projects Fund 2007 General Obligation Bonds	Total Nonmajor Governmental Funds
<b>REVENUES</b>		
Taxes	\$ -	\$ 2,779,330
Intergovernmental	-	2,171,616
Licenses and Permits	-	61,223
Fines, Forfeits and Penalties	-	46,812
Public Charges for Services	-	642,219
Miscellaneous:		
Interest	34	34
Other	-	19,242
Total Revenues	<u>34</u>	<u>5,720,476</u>
<b>EXPENDITURES</b>		
General Government	-	11,932
Public Safety	-	193,738
Health and Human Services	-	2,593,694
Culture, Recreation and Education	-	68,428
Conservation and Development	-	15,155
Debt Service		
Principal Retirement	-	102,039
Total Expenditures	<u>-</u>	<u>2,984,986</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	34	2,735,490
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfer Out	(251,768)	(2,673,575)
Loan Proceeds	-	8,223
Total Other Financing Sources (Uses)	<u>(251,768)</u>	<u>(2,665,352)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(251,734)	70,138
Fund Balances (Deficits) - Beginning of Year	<u>251,768</u>	<u>1,359,716</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u><u>\$ 34</u></u>	<u><u>\$ 1,429,854</u></u>

**POLK COUNTY, WISCONSIN  
BALANCE SHEET  
PUBLIC HEALTH SPECIAL REVENUE FUND  
DECEMBER 31, 2012**

	Birth To Three	PolkADOT	WIC	Health Screening	Tobacco Coalition	Family Planning	MCH Car Seat	Immunization	Consolidated Grant Fund	Radon Grant Fund	Environmental Health Fund	Total
<b>ASSETS</b>												
Treasurer's Cash and Investments	\$ 39,088	\$ 22,352	\$ -	\$ 22,146	\$ 16,261	\$ 74,450	\$ 4,149	\$ -	\$ 11,308	\$ 298	\$ 71,270	\$ 261,322
Taxes Receivable	122,728	-	-	-	-	-	-	-	-	-	-	122,728
Accounts Receivable	1,683	-	9,931	13,579	15,550	2,505	-	31,675	1,521	-	-	76,444
Total Assets	<u>\$ 163,499</u>	<u>\$ 22,352</u>	<u>\$ 9,931</u>	<u>\$ 35,725</u>	<u>\$ 31,811</u>	<u>\$ 76,955</u>	<u>\$ 4,149</u>	<u>\$ 31,675</u>	<u>\$ 12,829</u>	<u>\$ 298</u>	<u>\$ 71,270</u>	<u>\$ 460,494</u>
<b>LIABILITIES AND FUND BALANCE</b>												
<b>LIABILITIES</b>												
Vouchers Payable	\$ 5,850	\$ -	\$ 5,019	\$ -	\$ 8,072	\$ 815	\$ -	\$ -	\$ 254	\$ 151	\$ 869	\$ 21,030
Accrued Wages Payable	1,579	-	3,092	1,161	2,521	3,063	-	484	733	109	2,475	15,217
Due to Other Fund	-	-	68	-	-	-	-	34,825	-	-	-	34,893
Deferred Revenue - Tax Levy	122,728	-	-	-	-	-	-	-	-	-	-	122,728
Total Liabilities	<u>130,157</u>	<u>-</u>	<u>8,179</u>	<u>1,161</u>	<u>10,593</u>	<u>3,878</u>	<u>-</u>	<u>35,309</u>	<u>987</u>	<u>260</u>	<u>3,344</u>	<u>193,868</u>
<b>FUND BALANCE (DEFICIT)</b>												
Restricted	<u>33,342</u>	<u>22,352</u>	<u>1,752</u>	<u>34,564</u>	<u>21,218</u>	<u>73,077</u>	<u>4,149</u>	<u>(3,634)</u>	<u>11,842</u>	<u>38</u>	<u>67,926</u>	<u>266,626</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 163,499</u>	<u>\$ 22,352</u>	<u>\$ 9,931</u>	<u>\$ 35,725</u>	<u>\$ 31,811</u>	<u>\$ 76,955</u>	<u>\$ 4,149</u>	<u>\$ 31,675</u>	<u>\$ 12,829</u>	<u>\$ 298</u>	<u>\$ 71,270</u>	<u>\$ 460,494</u>

**POLK COUNTY, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**PUBLIC HEALTH SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2012**

	Birth To Three	PolkADOT	WIC	Health Screening	Tobacco Coalition	Family Planning	MCH Car Seat	Immunization	Consolidated Grant Fund	Radon Grant Fund	Environmental Health Fund	Total
<b>REVENUES</b>												
Taxes	\$108,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,302
Intergovernmental	88,337	-	201,638	4,120	194,952	45,537	-	-	57,702	7,635	-	599,921
Public Charges for Services	25,678	-	-	66,822	-	177,627	-	48,492	-	-	182,957	501,576
Total Revenues	<u>222,317</u>	<u>-</u>	<u>201,638</u>	<u>70,942</u>	<u>194,952</u>	<u>223,164</u>	<u>-</u>	<u>48,492</u>	<u>57,702</u>	<u>7,635</u>	<u>182,957</u>	<u>1,209,799</u>
<b>EXPENDITURES</b>												
Health and Human Services	<u>229,369</u>	<u>-</u>	<u>197,056</u>	<u>62,046</u>	<u>204,696</u>	<u>206,345</u>	<u>1,179</u>	<u>52,937</u>	<u>56,524</u>	<u>7,635</u>	<u>180,855</u>	<u>1,198,642</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,052)	-	4,582	8,896	(9,744)	16,819	(1,179)	(4,445)	1,178	-	2,102	11,157
Fund Balance (Deficit) - Beginning of Year	<u>40,394</u>	<u>22,352</u>	<u>(2,830)</u>	<u>25,668</u>	<u>30,962</u>	<u>56,258</u>	<u>5,328</u>	<u>811</u>	<u>10,664</u>	<u>38</u>	<u>65,824</u>	<u>255,469</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 33,342</u>	<u>\$ 22,352</u>	<u>\$ 1,752</u>	<u>\$34,564</u>	<u>\$21,218</u>	<u>\$73,077</u>	<u>\$ 4,149</u>	<u>\$ (3,634)</u>	<u>\$ 11,842</u>	<u>\$ 38</u>	<u>\$ 67,926</u>	<u>\$ 266,626</u>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2012**

	Highway Department	Health Insurance Fund	Totals
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Treasurer's Cash and Investments	\$ 644,781	\$ 1,114,943	\$ 1,759,724
Petty Cash Funds	200	-	200
Accounts Receivable	1,161	-	1,161
Due from Other Governmental Units	728,982	-	728,982
Inventory	547,237	-	547,237
Prepaid Items	129,613	-	129,613
Total Current Assets	<u>2,051,974</u>	<u>1,114,943</u>	<u>3,166,917</u>
<b>NONCURRENT ASSETS</b>			
Capital Assets Not Being Depreciated	17,719	-	17,719
Capital Assets Being Depreciated	9,007,178	-	9,007,178
Less: Accumulated Depreciation	4,347,626	-	4,347,626
Net Capital Assets	<u>4,677,271</u>	<u>-</u>	<u>4,677,271</u>
Total Assets	6,729,245	1,114,943	7,844,188
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Vouchers and Accounts Payable	115,536	-	115,536
Claims Incurred but not Reported	-	426,612	426,612
Deferred Revenue	53,493	-	53,493
Accrued Wages Payable	73,647	-	73,647
Accrued Employee Leave	218,996	-	218,996
Total Current Liabilities	<u>461,672</u>	<u>426,612</u>	<u>888,284</u>
<b>LONG-TERM LIABILITIES, (Net of Current Portion)</b>			
Accrued Employee Leave	69,908	-	69,908
Total Liabilities	531,580	426,612	958,192
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,677,271	-	4,677,271
Unrestricted	1,520,394	688,331	2,208,725
Total Net Position	<u>\$ 6,197,665</u>	<u>\$ 688,331</u>	<u>\$ 6,885,996</u>
Total Liabilities and Net Position	<u>\$ 6,729,245</u>	<u>\$ 1,114,943</u>	<u>\$ 7,844,188</u>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	Highway Department	Self-Funded Health Insurance	Totals
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 6,381,465	\$ 5,544,601	\$ 11,926,066
Other	40,752	692,363	733,115
Total Operating Revenues	<u>6,422,217</u>	<u>6,236,964</u>	<u>12,659,181</u>
<b>OPERATING EXPENSES</b>			
Transportation	6,469,536	-	6,469,536
Premiums and Claims	-	6,155,198	6,155,198
Administrative and General Expenses	380,710	-	380,710
Total Operating Expenses	<u>6,850,246</u>	<u>6,155,198</u>	<u>13,005,444</u>
<b>OPERATING INCOME (LOSS)</b>	(428,029)	81,766	(346,263)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Expense	<u>(702)</u>	<u>-</u>	<u>(702)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(428,731)	81,766	(346,965)
Transfers In	<u>250,000</u>	<u>-</u>	<u>250,000</u>
<b>CHANGE IN NET POSITION</b>	(178,731)	81,766	(96,965)
Net Position - Beginning of Year	<u>6,376,396</u>	<u>606,565</u>	<u>6,982,961</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 6,197,665</u></u>	<u><u>\$ 688,331</u></u>	<u><u>\$ 6,885,996</u></u>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	Highway Department	Health Insurance Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received for Services Provided	\$ 6,301,801	\$ 6,236,964	\$ 12,538,765
Cash Paid to Suppliers for Goods and Services	(2,745,025)	(6,182,133)	(8,927,158)
Cash Paid for Employee Services	(3,688,320)	-	(3,688,320)
Net Cash Provided (Used) by Operating Activities	(131,544)	54,831	(76,713)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	250,000	-	250,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal Paid on Capital Leases	(32,997)	-	(32,997)
Interest Paid on Capital Leases	(1,493)	-	(1,493)
Cash Received from Sale of Capital Assets	14,432	-	14,432
Cash Paid for Acquisition of Capital Assets	(786,017)	-	(786,017)
Net Cash Used for Capital and Related Financing Activities	(806,075)	-	(806,075)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(687,619)	54,831	(632,788)
Cash and Cash Equivalents - Beginning of Year	1,332,600	1,060,112	2,392,712
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 644,981</u>	<u>\$ 1,114,943</u>	<u>\$ 1,759,924</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (428,029)	\$ 81,766	\$ (346,263)
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	552,021	-	552,021
Loss (Gain) on Disposal of Capital Assets	19,590	-	19,590
(Increase) Decrease in Asset Accounts:			
Accounts Receivable	13,767	-	13,767
Due from Other Governmental Units	(169,110)	-	(169,110)
Inventories	(66,828)	-	(66,828)
Prepaid Items	38,241	-	38,241
Increase (Decrease) in Liability Accounts:			
Accounts Payable	(90,189)	-	(90,189)
Claims Incurred but not Reported	-	(26,935)	(26,935)
Deferred Revenue	34,927	-	34,927
Wages Payable	(59,393)	-	(59,393)
Accrued Employee Leave	23,459	-	23,459
Net Cash Provided (Used) by Operating Activities	<u>\$ (131,544)</u>	<u>\$ 54,831</u>	<u>\$ (76,713)</u>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES – ALL AGENCY FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	<u>Balance</u> <u>January 01, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2012</u>
<b>District Attorney</b>				
<u>Assets</u>				
Cash and Pooled Investments	\$ 4,195	\$ 94,467	\$ 97,852	\$ 810
<u>Liabilities</u>				
Special Deposits	\$ 4,195	\$ 94,467	\$ 97,852	\$ 810
<b>Treasurer</b>				
<u>Assets</u>				
Cash and Pooled Investments	\$ 442,780	\$ 16,607,226	\$ 16,585,195	\$ 464,811
<u>Liabilities</u>				
Due to Other Governments	\$ 442,780	\$ 16,607,226	\$ 16,585,195	\$ 464,811
<b>Circuit Court</b>				
<u>Assets</u>				
Cash and Pooled Investments	\$ 590,090	\$ 2,837,885	\$ 2,997,349	\$ 430,626
<u>Liabilities</u>				
Special Deposits	\$ 590,090	\$ 2,837,885	\$ 2,997,349	\$ 430,626
<b>Tax Agency</b>				
<u>Assets</u>				
Cash and Pooled Investments	\$ 18,026	\$ 81,738,857	\$ 81,754,905	\$ 1,978
Taxes Receivable	723,545	22,359,526	22,378,597	704,474
Special Assessments	331	-	-	331
Special Charges Receivable	86,252	-	-	86,252
<b>Total Assets</b>	<u>\$ 828,154</u>	<u>\$ 104,098,383</u>	<u>\$ 104,133,502</u>	<u>\$ 793,035</u>
<u>Liabilities</u>				
Due to Other Funds	\$ -	\$ 704,474	\$ 704,474	\$ -
Due to Other Governments	741,571	103,393,909	103,429,028	706,452
District/State Equities & Uncollected Taxes	86,583	-	-	86,583
<b>Total Liabilities</b>	<u>\$ 828,154</u>	<u>\$ 104,098,383</u>	<u>\$ 104,133,502</u>	<u>\$ 793,035</u>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES – ALL AGENCY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2012**

	<u>Balance</u> <u>January 01, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2012</u>
<b>Sheriff</b>				
<u>Assets</u>				
Cash and Pooled Investments	\$ 44,420	\$ 227,524	\$ 262,524	\$ 9,420
<u>Liabilities</u>				
Special Deposits	\$ 44,420	\$ 227,524	\$ 262,524	\$ 9,420
<b>Total Agency Funds</b>				
<u>Assets</u>				
Cash and Pooled Investments	\$ 1,099,511	\$ 101,505,959	\$ 101,697,825	\$ 907,645
Taxes Receivable	723,545	22,359,526	22,378,597	704,474
Special Charges Receivable	86,252	-	-	86,252
Special Assessments	331	-	-	331
<b>Total Assets</b>	<u>\$ 1,909,639</u>	<u>\$ 123,865,485</u>	<u>\$ 124,076,422</u>	<u>\$ 1,698,702</u>
<u>Liabilities</u>				
Due to Other Funds	\$ -	\$ 704,474	\$ 704,474	\$ -
Due to Other Governments	1,184,351	120,001,135	120,014,223	1,171,263
Special Deposits	638,705	3,159,876	3,357,725	440,856
District/State Equities & Uncollected Taxes	86,583	-	-	86,583
<b>Total Liabilities</b>	<u>\$ 1,909,639</u>	<u>\$ 123,865,485</u>	<u>\$ 124,076,422</u>	<u>\$ 1,698,702</u>

**STATISTICAL SECTION (UNAUDITED)**

## **STATISTICAL INFORMATION SECTION (UNAUDITED)**

This part of Polk County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

### **CONTENTS**

#### **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.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the County's most significant local revenue source, property tax.

#### **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 additional debt in the future.

#### **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.

#### **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.

**Source:** Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

**POLK COUNTY, WISCONSIN  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 45,092,711	\$ 45,999,384	\$ 41,455,678	\$ 46,730,441	\$ 41,266,442	\$ 46,207,346	\$ 48,488,858	\$ 51,858,738	\$ 55,031,898	\$ 56,816,037
Restricted	841,558	2,790,913	7,068,909	3,996,100	4,665,633	6,081,467	5,505,652	4,343,713	1,836,833	1,895,118
Unrestricted	7,613,950	6,361,295	9,214,409	9,284,786	13,167,400	10,452,228	10,609,059	12,494,772	14,498,234	14,315,819
<b>Total Governmental Activities Net Position</b>	<b>\$ 53,548,219</b>	<b>\$ 55,151,592</b>	<b>\$ 57,738,996</b>	<b>\$ 60,011,327</b>	<b>\$ 59,099,475</b>	<b>\$ 62,741,041</b>	<b>\$ 64,603,569</b>	<b>\$ 68,697,223</b>	<b>\$ 71,366,965</b>	<b>\$ 73,026,974</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Position	\$ 1,728,051	\$ 1,790,920	\$ 1,703,099	\$ 1,972,013	\$ 1,827,263	\$ 2,484,395	\$ 2,613,636	\$ 2,577,897	\$ 2,445,058	\$ 2,225,795
Restricted	52,290	156,786	246,481	7,278	8,179	8,554	8,363	9,416	9,334	8,179
Unrestricted	(90,245)	(368,440)	338,486	(190,217)	516,188	464,555	(171,492)	(523,487)	(958,285)	(578,608)
<b>Total Business-Type Activities Net Position</b>	<b>\$ 1,690,096</b>	<b>\$ 1,579,266</b>	<b>\$ 2,288,066</b>	<b>\$ 1,789,074</b>	<b>\$ 2,351,630</b>	<b>\$ 2,957,504</b>	<b>\$ 2,450,507</b>	<b>\$ 2,063,826</b>	<b>\$ 1,496,107</b>	<b>\$ 1,655,366</b>
<b>Primary Government</b>										
Net Investment in Capital Position	\$ 46,820,762	\$ 47,790,304	\$ 43,158,777	\$ 48,702,454	\$ 43,093,705	\$ 48,691,741	\$ 51,102,494	\$ 54,436,635	\$ 57,476,956	\$ 59,041,832
Restricted	893,848	2,947,699	7,315,390	4,003,378	4,673,812	6,090,021	5,514,015	4,353,129	1,846,167	1,903,297
Unrestricted	7,523,705	5,992,855	9,552,895	9,094,569	13,683,588	10,916,783	10,437,567	11,971,285	13,539,949	13,737,211
<b>Total Primary Government Net Position</b>	<b>\$ 55,238,315</b>	<b>\$ 56,730,858</b>	<b>\$ 60,027,062</b>	<b>\$ 61,800,401</b>	<b>\$ 61,451,105</b>	<b>\$ 65,698,545</b>	<b>\$ 67,054,076</b>	<b>\$ 70,761,049</b>	<b>\$ 72,863,072</b>	<b>\$ 74,682,340</b>

**Source:** Polk County, Wisconsin Department of Administration.

**POLK COUNTY, WISCONSIN  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 4,904,177	\$ 4,636,856	\$ 4,834,543	\$ 5,352,721	\$ 5,470,041	\$ 6,426,286	\$ 5,733,530	\$ 5,507,320	\$ 6,314,503	\$ 5,992,133
Public Safety	5,919,474	6,928,040	7,237,714	7,776,461	8,180,089	8,167,662	8,631,257	8,780,818	8,408,712	8,973,030
Highways and Streets (Transportation)	6,654,820	6,278,093	6,008,417	6,557,830	3,841,920	2,310,324	3,798,082	3,019,534	4,702,288	6,691,594
Sanitation	449,897	554,590	526,447	640,739	540,487	637,182	549,887	666,128	548,441	704,064
Health and Human Services	15,080,360	15,803,056	16,665,564	16,707,944	18,144,081	19,363,901	16,876,948	16,319,148	15,464,511	14,384,772
Culture, Recreation, and Education	1,009,779	1,038,349	1,213,937	1,290,621	1,173,784	1,125,183	1,254,068	1,334,688	1,457,225	1,124,100
Conservation and Development	1,943,118	1,561,319	1,983,740	1,855,069	3,307,960	2,101,770	2,468,742	1,857,848	4,000,359	1,665,849
Interest and Fiscal Charges	1,370,754	1,371,862	1,145,864	1,495,782	1,425,633	1,532,154	1,456,759	1,369,263	1,262,235	1,156,058
Total Governmental Activities Expenses	37,332,379	38,172,165	39,616,226	41,677,167	42,083,995	41,664,462	40,769,273	38,854,747	42,158,274	40,691,600
Business-Type Activities:										
Nursing Home	6,454,996	6,699,173	6,766,674	6,684,569	6,834,530	6,928,868	7,284,381	7,849,407	8,035,922	7,638,206
Lime Fund	519,578	581,512	546,184	570,237	523,753	604,804	422,303	446,771	775,716	677,335
Total Business-Type Activities Expenses	6,974,574	7,280,685	7,312,858	7,254,806	7,358,283	7,533,672	7,706,684	8,296,178	8,811,638	8,315,541
Total Primary Government Expenses	\$ 44,306,953	\$ 45,452,850	\$ 46,929,084	\$ 48,931,973	\$ 49,442,278	\$ 49,198,134	\$ 48,475,957	\$ 47,150,925	\$ 50,969,912	\$ 49,007,141
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
General Government	\$ 1,000,960	\$ 915,851	\$ 948,377	\$ 1,420,293	\$ 884,035	\$ 990,568	\$ 955,304	\$ 922,565	\$ 1,066,665	\$ 1,379,892
Public Safety	569,608	706,047	963,255	660,882	761,165	577,491	532,307	490,346	488,409	445,090
Highways and Streets (Transportation)	1,898,519	1,700,971	2,236,294	2,264,197	2,127,520	-	-	-	2,169,805	2,127,520
Sanitation	334,253	460,554	493,888	436,322	456,805	442,283	324,405	429,287	498,089	381,967
Health and Human Services	2,507,788	2,900,307	2,893,139	2,520,216	3,933,413	4,265,691	3,816,849	3,415,937	3,177,372	3,677,788
Culture, Recreation, and Education	40,817	53,770	138,766	49,630	7,875	9,228	13,956	14,085	20,169	29,570
Conservation and Development	511,741	624,490	480,002	643,445	649,037	564,543	425,047	598,995	340,694	355,258
Operating Grants and Contributions	12,028,624	12,921,815	13,040,076	13,053,621	11,779,062	12,295,347	10,260,542	10,520,776	11,059,492	8,225,802
Capital Grants and Contributions	-	571,135	773,249	476,977	144,889	432,327	206,698	-	46,133	-
Total Governmental Activities Program Revenues	18,892,310	20,854,940	21,967,046	21,525,583	20,743,801	19,577,478	16,535,108	16,391,991	18,866,828	16,622,887

Unaudited

**POLK COUNTY, WISCONSIN**  
**CHANGE IN NET POSITION (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Program Revenues (Continued)</b>										
Business-Type Activities:										
Charges for Services										
Nursing Home	\$ 5,326,364	\$ 5,526,423	\$ 5,723,068	\$ 5,862,082	\$ 6,030,222	\$ 6,436,210	\$ 6,665,519	\$ 6,713,618	\$ 6,653,013	\$ 6,699,236
Lime Operations	799,322	908,691	738,718	593,509	595,678	645,209	439,408	466,864	717,181	775,679
Operating Grants and Contributions	1,041,192	887,157	724,036	426,488	626,132	1,062,323	682,594	782,927	902,005	1,102,005
Capital Grants and Contributions	-	-	-	-	-	-	121,782	-	-	-
Total Business-Type Activities Program Revenues	<u>7,166,878</u>	<u>7,322,271</u>	<u>7,185,822</u>	<u>6,882,079</u>	<u>7,252,032</u>	<u>8,143,742</u>	<u>7,909,303</u>	<u>7,963,409</u>	<u>8,272,199</u>	<u>8,576,920</u>
Total Primary Government Program Revenues	<u>\$ 26,059,188</u>	<u>\$ 28,177,211</u>	<u>\$ 29,152,868</u>	<u>\$ 28,407,662</u>	<u>\$ 27,995,833</u>	<u>\$ 27,721,220</u>	<u>\$ 24,444,411</u>	<u>\$ 24,355,400</u>	<u>\$ 27,139,027</u>	<u>\$ 25,199,807</u>
Governmental Activities	\$ (18,440,069)	\$ (17,317,225)	\$ (17,649,180)	\$ (20,151,584)	\$ (21,340,194)	\$ (22,086,984)	\$ (24,234,165)	\$ (22,462,756)	\$ (23,291,446)	\$ (24,068,713)
Business-Type Activities	192,304	41,586	(127,036)	(372,727)	(106,251)	610,070	202,619	(332,769)	(539,439)	261,379
Total Primary Government Net Expense	<u>\$ (18,247,765)</u>	<u>\$ (17,275,639)</u>	<u>\$ (17,776,216)</u>	<u>\$ (20,524,311)</u>	<u>\$ (21,446,445)</u>	<u>\$ (21,476,914)</u>	<u>\$ (24,031,546)</u>	<u>\$ (22,795,525)</u>	<u>\$ (23,830,885)</u>	<u>\$ (23,807,334)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	\$ 13,167,025	\$ 14,154,472	\$ 15,835,840	\$ 16,588,575	\$ 17,371,757	\$ 19,782,472	\$ 20,149,085	\$ 21,171,147	\$ 21,664,675	\$ 21,546,877
Sales Tax	1,978,234	2,305,554	2,404,386	2,325,915	2,364,052	2,349,149	2,178,514	2,353,827	2,365,174	2,461,037
Other Taxes	476,651	553,605	613,468	581,223	566,036	552,252	635,737	917,729	816,702	817,480
State and Federal Aids not Restricted to Specific Programs	871,131	720,855	733,277	731,873	943,732	1,034,960	1,006,885	926,775	793,767	703,168
Interest and Investment Earnings	247,283	199,621	512,636	1,080,779	970,661	746,581	446,870	184,439	122,413	97,542
Miscellaneous (Other)	739,804	794,020	843,547	965,550	934,937	1,211,305	879,602	802,493	145,906	102,618
Transfers	50,000	150,000	(706,570)	150,000	(593,482)	50,000	800,000	200,000	52,551	-
Total Governmental Activities	<u>16,623,937</u>	<u>18,878,127</u>	<u>20,236,584</u>	<u>22,423,915</u>	<u>22,557,693</u>	<u>25,726,719</u>	<u>26,096,693</u>	<u>26,556,410</u>	<u>25,961,188</u>	<u>25,728,722</u>
Business-Type Activities:										
Interest & Investment earnings	-	-	-	277	151	54	56	112	115	1,083
Miscellaneous (Other)	38,898	40,055	129,266	23,458	74,580	46,344	90,328	22,428	24,156	20,345
Transfers	(50,000)	(150,000)	706,570	(150,000)	593,482	(50,000)	(800,000)	(200,000)	(52,551)	-
Total Business-Type Activities	<u>(11,102)</u>	<u>(109,945)</u>	<u>835,836</u>	<u>(126,265)</u>	<u>668,213</u>	<u>(3,602)</u>	<u>(709,616)</u>	<u>(177,460)</u>	<u>(28,280)</u>	<u>21,428</u>
Total Primary Government	<u>\$ 16,612,835</u>	<u>\$ 18,768,182</u>	<u>\$ 21,072,420</u>	<u>\$ 22,297,650</u>	<u>\$ 23,225,906</u>	<u>\$ 25,723,117</u>	<u>\$ 25,387,077</u>	<u>\$ 26,378,950</u>	<u>\$ 25,932,908</u>	<u>\$ 25,750,150</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ (1,816,132)	\$ 1,560,902	\$ 2,587,404	\$ 2,272,331	\$ 1,217,499	\$ 3,639,735	\$ 1,862,528	\$ 4,093,654	\$ 2,669,742	\$ 1,660,009
Business-Type Activities	181,202	(68,359)	708,800	(498,992)	561,962	606,468	(506,997)	(510,229)	(567,719)	282,807
Total Primary Government	<u>\$ (1,634,930)</u>	<u>\$ 1,492,543</u>	<u>\$ 3,296,204</u>	<u>\$ 1,773,339</u>	<u>\$ 1,779,461</u>	<u>\$ 4,246,203</u>	<u>\$ 1,355,531</u>	<u>\$ 3,583,425</u>	<u>\$ 2,102,023</u>	<u>\$ 1,942,816</u>

Source: Polk County, Wisconsin Department of Administration.

**POLK COUNTY, WISCONSIN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,557,869	\$ 5,524,416	\$ 5,208,013
Restricted (Reserved 2001 - 2009)	2,516,520	3,086,988	2,333,609	2,466,608	2,864,044	4,887,963	6,297,290	157,907	186,340	249,386
Committed	-	-	-	-	-	-	-	227,429	174,157	106,487
Assigned (Designated (2001 - 2009)	637,061	650,559	1,208,708	1,686,316	-	-	854,379	18,887	147,509	1,301,536
Unassigned (Undesignated (2001 - 2009)	3,571,218	3,273,754	3,721,002	4,484,426	5,358,447	4,118,693	2,878,036	6,635,325	7,254,080	6,739,432
Total General Fund	<u>\$ 6,724,799</u>	<u>\$ 7,011,301</u>	<u>\$ 7,263,319</u>	<u>\$ 8,637,350</u>	<u>\$ 8,222,491</u>	<u>\$ 9,006,656</u>	<u>\$ 10,029,705</u>	<u>\$ 12,597,417</u>	<u>\$ 13,286,502</u>	<u>\$ 13,604,854</u>
All Other Government Funds										
Nonspendable										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,528	\$ -
Restricted (Reserved 2001 - 2009)										
Special Revenue Funds	346,853	302,407	641,793	427,097	427,097	427,097	484,715	1,109,341	601,693	662,157
Debt Service Fund	-	-	-	-	-	-	208,954	210,238	172,383	177,871
Capital Projects Fund	-	-	-	-	-	-	-	249,885	251,768	34
Assigned (Designated 2001 - 2009)										
Special Revenue Funds	566,503	739,708	1,303,457	1,208,386	938,135	1,365,634	564,847	-	592,271	803,308
Debt Service Funds	8,048	50,209	59,321	27,327	127,745	120,625	-	-	-	-
Capital Project Funds	308,036	-	4,374,343	1,458,206	4,509,533	2,682,383	2,002,742	-	-	-
Unassigned (Undesignated 2001 - 2009)										
Special Revenue Funds	-	-	-	-	(57,579)	(4,917)	(64,764)	(100,100)	(103,544)	(35,645)
Capital Project Funds	-	-	-	-	-	(91,478)	26,322	-	-	-
Total All Other Government Funds	<u>\$ 1,229,440</u>	<u>\$ 1,092,324</u>	<u>\$ 6,378,914</u>	<u>\$ 3,121,016</u>	<u>\$ 5,944,931</u>	<u>\$ 4,499,344</u>	<u>\$ 3,222,816</u>	<u>\$ 1,469,364</u>	<u>\$ 1,532,099</u>	<u>\$ 1,607,725</u>

**Source** Polk County, Wisconsin Department of Administration.

NOTE: The County implemented GASB 54 in fiscal year 2010, resulting in significant reclassification of the components of fund balance. Years prior to 2010 have not been restated.

Unaudited

**POLK COUNTY, WISCONSIN**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$15,621,910	\$17,013,631	\$18,853,694	\$19,495,713	\$20,401,122	\$22,793,100	\$23,017,227	\$24,448,405	\$24,886,825	\$24,927,433
Intergovernmental	12,829,519	14,333,722	14,621,779	14,154,843	12,853,361	14,228,871	11,424,333	10,843,688	12,063,915	8,819,868
Licenses and Permits	418,787	489,378	610,678	556,246	400,730	352,188	345,693	346,787	316,946	319,409
Fines and Forfeits	294,773	315,400	303,903	271,497	296,075	304,443	200,019	174,802	190,724	174,697
Public Charges for Services	3,980,813	4,602,921	4,739,049	4,467,305	5,822,600	5,905,314	5,214,784	4,936,560	4,741,229	5,241,578
Intergovernmental Charges for Services	197,180	175,148	220,625	671,850	163,879	222,013	262,856	244,316	315,457	246,274
Miscellaneous										
Interest	243,287	195,341	500,561	1,014,265	962,241	734,245	440,389	180,040	115,753	94,242
Rent	194,649	298,472	319,860	347,769	311,078	315,473	256,725	249,065	276,473	285,891
Donations	-	51,154	49,574	-	-	-	-	-	-	-
Other	909,838	911,295	832,875	768,053	554,566	623,548	657,964	639,666	193,478	133,978
Total Revenues	34,690,756	38,386,462	41,052,598	41,747,541	41,765,652	45,479,195	41,819,990	42,063,329	43,100,800	40,243,370
<b>Expenditures</b>										
General Government	8,537,518	4,831,418	4,783,903	5,413,330	5,415,332	5,939,748	5,564,733	5,465,416	5,623,938	5,782,212
Public Safety	7,880,417	6,608,180	8,067,462	10,651,816	7,173,053	7,283,881	7,295,803	7,318,040	7,536,613	7,391,208
Highways and Streets (Transportation)	4,364,648	3,530,766	4,631,400	4,623,548	3,808,917	5,279,370	4,388,483	4,114,719	4,197,022	4,294,698
Sanitation	409,725	494,450	508,080	556,242	521,563	586,046	540,805	566,838	711,023	556,663
Health and Human Services	15,155,921	16,102,189	16,806,591	16,645,492	17,676,026	18,939,148	16,259,546	15,611,398	15,087,819	14,536,614
Culture and Recreation	1,001,764	1,018,383	1,092,279	1,223,930	1,195,621	1,338,301	1,342,130	1,330,898	1,385,898	1,174,919
Conservation and Development	2,221,761	3,515,599	2,112,990	1,901,047	2,464,990	2,043,575	2,418,535	1,735,431	4,019,799	1,638,840
Capital Outlay	-	-	-	-	748,278	999,107	385,107	122,276	-	-
Debt Service:										
Principal	531,748	918,006	1,275,000	1,240,000	1,726,274	2,014,946	2,335,335	2,696,627	2,685,462	4,947,284
Retirement of Pension Related Debt	2,112,767	-	-	-	-	-	-	-	-	-
Interest	1,352,383	1,368,085	1,056,207	1,524,189	1,425,193	1,498,780	1,432,637	1,373,060	1,262,181	1,153,148
Other Charges	33,656	-	189,516	1,814	58,387	2,172	-	-	-	29,810
Total Expenditures	43,602,308	38,387,076	40,523,428	43,781,408	42,213,634	45,925,074	41,963,114	40,334,703	42,509,755	41,505,396
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(8,911,552)	(614)	529,170	(2,033,867)	(447,982)	(445,879)	(143,124)	1,728,626	591,045	(1,262,026)

Unaudited

**POLK COUNTY, WISCONSIN**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 2,657,114	\$ 2,681,451	\$ 2,628,768	\$ 3,409,025	\$ 2,680,012	\$ 4,608,714	\$ 6,011,988	\$ 3,471,302	\$ 2,439,729	\$ 2,721,306
Transfers Out	(2,607,114)	(2,531,451)	(3,335,338)	(3,259,025)	(3,418,219)	(5,432,480)	(6,395,566)	(4,393,891)	(2,287,178)	(2,971,306)
Long-Term Debt Issued	2,150,000	-	24,100,000	-	3,500,000	608,223	273,223	8,223	8,224	1,873,223
Premium on Issuance of Debt	-	-	1,391,809	-	95,245	-	-	-	-	32,781
Payment to Escrow Agent	-	-	(19,775,801)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,200,000</u>	<u>150,000</u>	<u>5,009,438</u>	<u>150,000</u>	<u>2,857,038</u>	<u>(215,543)</u>	<u>(110,355)</u>	<u>(914,366)</u>	<u>160,775</u>	<u>1,656,004</u>
Net Change in Fund Balances	<u>\$ (6,711,552)</u>	<u>\$ 149,386</u>	<u>\$ 5,538,608</u>	<u>\$ (1,883,867)</u>	<u>\$ 2,409,056</u>	<u>\$ (661,422)</u>	<u>\$ (253,479)</u>	<u>\$ 814,260</u>	<u>\$ 751,820</u>	<u>\$ 393,978</u>
Debt Service as a Percentage of Noncapital Expenditures	4.40%	5.96%	6.22%	6.32%	7.74%	7.83%	9.06%	10.12%	10.44%	15.60%

**Source:** Polk County, Wisconsin Department of Administration.

**POLK COUNTY, WISCONSIN  
EQUALIZED VALUE OF ALL PROPERTY BY ASSESSMENT CLASS  
LAST TEN FISCAL YEARS**

Fiscal Year	Residential Equalized Value	Commercial Equalized Value	Manufacturing Equalized Value	Agricultural Equalized Value	Undeveloped Equalized Value	Forest Equalized Value	Other Equalized Value	Personal Property Equalized Value	Total Equalized Value	Total Equalized Value Excl. TID	Total Direct Tax Rate
2003	\$ 2,357,076,700	\$ 219,361,300	\$ 66,213,300	\$ 41,137,800	\$ 49,152,000	\$ 233,061,600	\$ 107,771,800	\$ 36,720,000	\$ 3,110,494,500	\$ 3,029,463,950	4.35
2004	2,628,010,700	235,251,800	71,021,900	32,024,400	58,299,100	267,904,400	105,407,800	40,599,700	3,438,519,800	3,353,180,100	4.22
2005	2,984,740,300	249,738,400	75,581,400	31,827,900	39,116,700	301,590,900	112,893,600	42,068,000	3,837,557,200	3,753,151,400	4.22
2006	3,373,148,900	274,874,700	77,766,500	31,204,800	36,800,800	315,492,800	118,668,100	46,070,100	4,274,026,700	4,176,942,500	3.97
2007	3,744,121,400	304,359,000	78,688,700	33,258,100	48,290,600	345,389,700	119,978,700	50,498,900	4,724,585,100	4,614,309,200	3.77
2008	3,939,230,800	324,504,200	84,940,200	35,610,400	52,148,300	373,222,400	123,657,500	55,721,700	4,989,035,500	4,872,444,200	4.06
2009	3,982,446,200	342,068,500	87,383,800	36,981,100	52,049,500	376,293,900	123,048,500	61,609,600	5,061,881,100	4,942,198,400	4.08
2010	3,784,739,800	338,732,100	92,266,300	37,874,800	49,880,300	356,456,500	128,697,800	63,872,300	4,852,519,900	4,733,746,500	4.47
2011	3,508,281,300	336,740,200	90,077,900	37,440,900	48,400,800	338,065,300	127,082,200	58,858,000	4,544,946,600	4,432,825,200	4.87
2012	3,247,136,500	326,002,200	89,280,200	36,444,000	45,767,500	302,090,400	125,399,100	56,146,800	4,228,266,700	4,031,492,000	5.37

**Source:** Polk County Treasurers' Office and the State of Wisconsin.

**Notes:** Total Equalized Value based on County's debt limit WI Statutes restricts to 5%.  
The equalized value is prepared by the Wisconsin Department of Revenue, Bureau of Property Tax. These values include Tax Increment Districts (TID) which are not included in the taxable property upon which County taxes are levied.

**POLK COUNTY, WISCONSIN  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

	<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>
<b>DIRECT PROPERTY TAX RATES</b>										
Operating Levy	\$ 3.68	\$ 3.49	\$ 3.53	\$ 3.25	\$ 3.04	\$ 3.32	\$ 3.29	\$ 3.58	\$ 3.84	\$ 4.19
Debt Levy	0.52	0.58	0.55	0.57	0.60	0.60	0.68	0.78	0.86	1.02
Special Purpose Levy	0.15	0.15	0.14	0.15	0.13	0.14	0.11	0.11	0.17	0.16
<b>Total Direct County Tax Rate</b>	<b>\$ 4.35</b>	<b>\$ 4.22</b>	<b>\$ 4.22</b>	<b>\$ 3.97</b>	<b>\$ 3.77</b>	<b>\$ 4.06</b>	<b>\$ 4.08</b>	<b>\$ 4.47</b>	<b>\$ 4.87</b>	<b>\$ 5.37</b>

**INDIRECT PROPERTY TAX RATES <sup>1</sup>**

**Cities of:**

Amery	\$ 24.44	\$ 23.55	\$ 22.31	\$ 21.33	\$ 20.99	\$ 22.13	\$ 22.52	\$ 24.93	\$ 26.46	\$ 27.34
St Croix Falls	21.40	20.05	19.54	18.73	18.06	18.47	18.88	20.21	21.74	23.13

**Villages of:**

Balsam Lake	19.96	19.47	18.73	17.09	16.60	17.68	18.00	19.54	21.45	22.42
Centuria	18.94	18.72	18.07	17.58	17.54	18.12	19.02	20.83	22.25	23.48
Clayton	23.89	23.38	23.13	22.61	21.03	22.05	22.55	23.97	23.69	24.79
Clear Lake	20.84	19.89	20.05	18.11	17.14	18.61	19.03	20.48	21.97	22.81
Dresser	21.66	20.33	20.42	20.52	19.65	20.18	20.73	22.54	23.54	25.24
Frederic	24.81	22.70	20.04	21.94	21.57	20.72	20.76	23.09	24.25	23.87
Luck	19.44	19.76	20.54	19.99	18.99	19.96	20.74	22.57	22.57	23.66
Milltown	22.43	22.10	21.28	19.89	19.50	20.35	21.55	23.92	25.45	26.96
Osceola	21.15	19.17	18.99	18.52	17.33	17.58	17.89	18.67	20.42	23.00
Turtle Lake	26.84	26.34	27.26	26.69	25.04	21.47	21.27	22.71	23.43	24.94

**POLK COUNTY, WISCONSIN  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)  
LAST TEN FISCAL YEARS**

	<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>
<b>Towns of:</b>										
Alden	\$ 17.22	\$ 16.50	\$ 16.59	\$ 15.94	\$ 15.19	\$ 15.74	\$ 15.94	\$ 16.94	\$ 18.33	\$ 19.38
Apple River	16.57	15.92	15.68	14.38	14.21	15.19	15.58	17.22	18.58	19.11
Balsam Lake	15.11	14.79	14.65	13.91	13.61	14.23	14.76	16.12	17.58	18.52
Beaver	16.87	16.69	16.88	15.64	14.79	14.73	15.46	16.43	17.79	18.26
Black Brook	18.38	17.59	17.67	16.18	15.77	17.10	17.25	18.99	20.13	20.56
Bone Lake	15.19	15.40	15.77	15.25	14.41	15.07	15.25	16.82	16.91	17.52
Clam Falls	21.25	19.27	18.98	19.00	19.24	18.07	17.78	20.05	21.50	21.32
Clayton	20.42	20.04	19.53	18.11	17.02	17.76	17.99	19.75	19.63	20.53
Clear Lake	18.42	17.51	17.25	14.95	15.08	17.83	18.11	19.92	21.20	21.93
Eureka	16.66	15.75	16.24	15.58	15.06	15.42	16.02	17.60	19.23	20.39
Farmington	17.41	16.59	16.69	16.09	15.12	15.11	15.32	15.85	17.67	19.46
Garfield	17.52	16.45	16.39	15.49	15.28	16.38	16.66	18.42	19.37	20.05
Georgetown	14.95	14.78	14.49	13.35	13.28	13.89	14.50	15.87	17.58	18.38
Johnstown	16.47	16.39	16.48	15.20	14.33	14.24	14.86	15.87	17.27	17.79
Laketown	16.38	16.75	17.26	16.59	15.65	16.31	16.81	18.22	18.49	19.40
Lincoln	16.81	16.37	16.29	15.36	15.17	16.55	16.84	18.86	19.73	20.06
Lorain	18.91	17.33	16.52	16.34	16.55	15.73	15.58	17.56	18.42	18.15
Luck	15.87	15.84	16.03	15.50	14.79	15.38	15.61	17.13	17.38	17.98
McKinley	17.50	17.83	18.37	16.87	15.91	16.58	16.84	18.37	19.18	19.45
Milltown	16.12	15.98	15.45	14.23	14.19	14.67	15.25	16.70	18.55	19.45
Osceola	16.48	15.66	15.83	15.37	14.54	14.71	14.99	15.79	17.26	18.94
St Croix Falls	17.21	16.22	15.94	15.27	14.81	15.50	16.11	17.49	18.91	20.28
Sterling	16.19	16.10	15.85	15.44	14.94	15.27	15.77	17.12	18.22	19.42
West Sweden	20.33	18.68	17.68	17.41	17.67	16.73	16.51	18.54	19.39	19.23

**Note:** The taxes shown for overlapping governments are the Full Value Rates - Gross. This rate is the total property tax divided by the full value of all taxable general property in the municipality, including tax increment financing districts. The total property tax includes state taxes and special charges, special purpose district taxes and school taxes (elementary, secondary, and technical college). It reflects the amount of surplus funds applied (if any) by a district to reduce any of the above mentioned apportionments or charges. It does not include special assessments and charges to individuals, delinquent taxes, omitted taxes, forest crop taxes, managed forest land or occupational taxes.

<sup>1</sup> Source: Town, Village, and City Taxes, Wisconsin Department of Revenue, Division of State and Local Finance, Bureau of Local Government Services.

**Source:** Polk County, Wisconsin Treasurer and Department of Administration.

**POLK COUNTY, WISCONSIN  
PRINCIPAL PROPERTY TAXPAYERS  
TAXES PAYABLE IN 2012 AND NINE YEARS AGO**

Taxpayer	Property Classification	Rank	2012			Rank	2003		
			Net Tax	Equalized Assessed Value	% of Total Equalized Assessed Values		Net Tax	Equalized Assessed Value	% of County Total Tax Capacity
Menards, Inc.	Commercial	1	\$ 235,289	\$ 10,716,600	0.3 %	-	\$ -	\$ -	- %
Wal-Mart Real Estate Business Trust	Commercial	2	225,370	10,265,100	0.2	-	-	-	-
Cardinal Glass Industries	Commercial	3	197,395	7,599,200	0.2	4	82,372	3,663,100	0.1
United Pioneer Home *	Commercial	4	144,978	100	0.0	-	-	-	-
Turtle Lake Properties, LLC	Manufacturing	5	120,437	4,819,000	0.1	-	-	-	-
Horst Rechelbacher	Residential	6	117,107	5,196,000	0.1	1	120,305	6,629,800	0.2
A & K Realty	Manufacturing	7	116,866	4,500,100	0.1	-	-	-	-
Osceola Rentals LLC	Commercial	8	95,085	4,276,700	0.1	3	94,588	5,197,000	0.2
Dresser Trap Rock Inc.	Manufacturing	9	81,534	3,429,700	0.1	-	-	-	-
Amery Regional Medical Center	Commercial	10	74,313	2,904,500	0.1	-	-	-	-
Bamfam Family Limited Partnership	Commercial		-	-	-	2	94,691	4,973,700	0.2
Plastech Corporations	Manufacturing		-	-	-	5	76,148	3,386,300	0.1
Ronald L Anderson	Commercial		-	-	-	6	71,480	1,398,400	0.0
WTG Investments	Commercial		-	-	-	7	69,898	3,671,500	0.1
Northwire Inc	Manufacturing		-	-	-	8	60,312	3,313,800	0.1
Advanced Food Products	Manufacturing		-	-	-	9	57,444	3,095,300	0.1
Midland Properties, LLC	Commercial		-	-	-	10	55,364	2,119,500	0.1
<b>Totals</b>			<u>\$ 1,408,374</u>	<u>\$ 53,707,000</u>	<u>1.3 %</u>		<u>\$ 782,602</u>	<u>\$ 37,448,400</u>	<u>1.2 %</u>
Total Equalized Assessed Valuation				\$ 4,151,138,000				\$ 3,029,463,950	

Source: Polk County Treasurer's Office.

Note: Wal-Mart Real Estate Business Trust, Menards, Inc., United Pioneer Home, Turtle Lake Properties, LLC, A & K Realty, Dresser Trap Rock Inc., and Amery Regional Medical Center were not in the top ten tax payers in 2003.

The above starred (\*) properties have at least one parcel that has agricultural assessments. Per state law, no fair market value is calculated on any parcel with agricultural assessments. This may skew the Equalized Assessed Values lower.

**POLK COUNTY, WISCONSIN  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended December 31</b>	<b>Tax Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections as of 12/31/2012</b>	
			<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2003	2002	\$ 51,922,620	\$ 50,905,299	98.0 %	\$ 1,017,321	\$ 51,922,620	100.0 %
2004	2003	55,286,603	54,236,543	98.1	1,050,060	55,286,603	100.0
2005	2004	61,171,244	60,022,786	98.1	1,147,795	61,170,581	100.0
2006	2005	64,721,871	63,405,297	98.0	1,316,369	64,721,666	100.0
2007	2006	68,254,221	66,663,429	97.7	1,585,379	68,248,808	100.0
2008	2007	74,199,719	72,213,730	97.3	1,963,706	74,177,436	100.0
2009	2008	75,568,798	73,202,535	96.9	2,312,584	75,515,119	99.9
2010	2009	77,932,085	75,689,018	97.1	1,846,583	77,535,601	99.5
2011	2010	78,226,788	76,199,360	97.4	959,946	77,159,306	98.6
2012	2011	76,470,563	74,690,540	97.7	-	74,690,540	97.7

**Source:** Polk County, Wisconsin Treasurer's Office.

**Notes:** Since 2012 taxes are based on 2011 values, the collections in subsequent years will be zero due to the way the collection dates fall.

**POLK COUNTY, WISCONSIN  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Personal Income	Percent of Personal Income	Population (a)	Debt Per Capita
	General Obligation Bonds	General Obligation Notes	Capital Leases	Loans	General Obligation Notes	Capital Leases					
2003	\$ 28,155,000	\$ 2,038,006	\$ 54,574	\$ 397,115	\$ 1,120,731	\$ -	\$ 31,765,426	\$ 1,063,233,000	3.0 %	43,282	\$ 734
2004	27,490,000	1,785,000	63,684	529,241	1,060,702	-	30,928,627	1,156,556,000	2.7	43,886	705
2005	26,690,000	7,140,000	32,608	600,191	1,088,319	-	35,551,118	1,203,109,000	3.0	44,613	797
2006	25,710,000	6,880,000	12,569	588,430	1,019,501	-	34,210,500	1,211,378,000	2.8	44,784	764
2007	24,585,000	9,890,000	149,658	-	950,988	-	35,575,646	1,267,634,000	2.8	44,265	804
2008	23,290,000	9,280,000	223,106	895,643	75,566	-	33,764,315	1,350,159,000	2.5	44,270	763
2009	22,120,000	8,205,000	423,036	849,975	70,662	12,573	31,681,246	1,370,940,000	2.3	44,275	716
2010	20,795,000	6,975,000	373,403	736,190	65,534	16,525	28,961,652	1,394,775,000	2.1	44,205	655
2011	20,166,587	5,970,000	283,241	579,647	60,172	12,573	27,072,220	1,459,689,000	1.9	44,040	615
2012	20,295,054	2,950,000	256,510	357,317	54,575	8,376	23,921,832	1,427,232,000 *	1.7	43,610	549

Source: Polk County, Wisconsin Department of Administration.

Note: \* Indicates estimate based on the two previous years or percent change from prior year.

**POLK COUNTY, WISCONSIN  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Fiscal Year	Outstanding Debt			Percentage of Estimated Actual Taxable Value (1) of Property	Personal Income	Percent of Personal Income	Population (a)	Debt Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total					
2003	\$ 28,155,000	\$ -	\$ 28,155,000	0.9 %	\$ 1,063,233,000	2.6 %	42,761	\$ 658
2004	27,490,000	8,048	27,481,952	0.8	1,156,556,000	2.4	43,282	635
2005	26,690,000	50,209	26,639,791	0.7	1,203,109,000	2.2	43,886	607
2006	25,710,000	59,321	25,650,679	0.6	1,211,378,000	2.1	44,613	575
2007	24,585,000	27,327	24,557,673	0.5	1,267,634,000	1.9	44,784	548
2008	23,290,000	128,144	23,161,856	0.5	1,350,159,000	1.7	44,265	523
2009	22,120,000	172,383	21,947,617	0.4	1,370,940,000	1.6	44,270	496
2010	20,795,000	210,238	20,584,762	0.4	1,394,775,000	1.5	44,205	466
2011	20,166,587	172,383	19,994,204	0.4	1,365,744,750	1.5	44,229	452
2012	20,295,054	177,871	20,117,183	0.5	1,427,232,000 *	1.4	43,610	461

**Source:** Polk County, Wisconsin Department of Administration.

**Note:** (1) See the Schedule of Equalized Value of All Property by Assessment Class on page 88 for property value data.

\* Indicates estimate based on the two previous years or percent changes from prior year.

**POLK COUNTY, WISCONSIN  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2012**

Jurisdiction	Total GO. Bonds Outstanding (1)	Applicable to Polk County	
		Percent (2)	Amount
Underlying Debt:			
Cities of:			
Amery	\$ 4,021,534	100.0 %	\$ 4,021,534
St. Croix Falls	6,915,640	100.0	6,915,640
Total Cities	10,937,174		10,937,174
Villages of:			
Balsam Lake	2,268,520	100.0	2,268,520
Centuria	937,265	100.0	937,265
Clayton	656,001	100.0	656,001
Clear Lake	742,177	100.0	742,177
Dresser	1,114,561	100.0	1,114,561
Frederic	1,320,009	100.0	1,320,009
Luck	306,004	100.0	306,004
Milltown	623,166	100.0	623,166
Osceola	5,032,398	100.0	5,032,398
Total Villages	13,000,101		13,000,101
Townships of:			
Garfield	341,935	100.0	341,935
Milltown	172,563	100.0	172,563
Osceola	497,846	100.0	497,846
St. Croix Falls	139,665	100.0	139,665
Sterling	117,743	100.0	117,743
West Sweden	93,646	100.0	93,646
Total Townships	1,363,398		1,363,398

**POLK COUNTY, WISCONSIN**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (CONTINUED)**  
**DECEMBER 31, 2012**

Jurisdiction	Total	Applicable to	
	GO. Bonds	Polk County	
	Outstanding (1)	Percent (2)	Amount
Underlying Debt:			
School Districts of:			
Amery	\$ 14,110,000	97.0 %	\$ 13,686,700
Clayton	1,743,617	71.0	1,237,968
Clear Lake	2,765,000	70.0	1,935,500
Cumberland	4,629,000	4.0	185,160
Frederic	4,249,270	72.0	3,059,474
Grantsburg	5,393,085	4.0	215,723
Luck	590,000	100.0	590,000
Osceola	13,078,485	94.0	12,293,776
St. Croix Falls	11,250,000	100.0	11,250,000
Turtle Lake	3,163,935	47.0	1,487,049
Unity	5,045,834	100.0	5,045,834
Total School Districts	66,018,226		50,987,185
Underlying Debt Subtotal:	91,318,899		76,287,858
Overlapping Debt:			
Direct Debt:			
Polk County			
General Obligation Bonds	19,500,000	100.0	19,500,000
General Obligation Notes	3,004,575	100.0	3,004,575
State Trust Fund Loans	132,717	100.0	132,717
Forest Loans Payable	224,600	100.0	224,600
Capital Leases	264,886	100.0	264,886
Overlapping Debt Subtotal:	23,126,778		23,126,778
Total	\$ 114,445,677		\$ 99,414,636

**Notes:** (1) Does not include Revenue Debt, Special Assessment Debt, Tax Increment Debt, or State Aid and Tax Anticipation Certificates.

(2) Determined by the portion of property subject to taxation in Polk County.

**Source:** Polk County, Wisconsin Department of Administration.

**POLK COUNTY, WISCONSIN  
COMPUTATION OF LEGAL DEBT LIMITATION  
DECEMBER 31, 2012**

	<u>Amount</u>	<u>Percent</u>
Total Taxable Market Value	\$ 4,228,266,700	
Debt limit- 5% of Total Market Value	211,413,335	100.0%
Amount of Debt Applicable to 5% Debt Limit: Total Bonded Debt	<u>\$ 22,637,292 *</u>	
Total Amount of Debt Applicable to Debt Limit	<u>22,637,292</u>	<u>10.71%</u>
<b>Legal Debt Margin</b>	<b><u>\$ 188,776,043</u></b>	<b><u>89.29%</u></b>

**Source:** Polk County, Wisconsin Department of Administration.

**Note:** \* For the purposes of this table the total bonded debt excludes the previously issued capital leases.

**POLK COUNTY, WISCONSIN  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Personal Income (b)</b>	<b>Per Capita Personal Income (b)</b>	<b>Area (Sq. Mi.) (d)</b>	<b>Density (Person/ Sq. Mi.)</b>	<b>Number of Households (a)</b>	<b>Unemployment Rate (c)</b>
2003	43,282	\$ 1,063,233,000	\$ 24,565	960	45	22,555	6.0 %
2004	43,886	1,156,556,000	26,354	960	46	23,056	5.1
2005	44,613	1,203,109,000	26,968	960	46	23,522	5.6
2006	44,784	1,211,378,000	27,049	960	47	23,980	5.7
2007	44,265	1,267,634,000	28,637	960	46	24,334	5.9
2008	44,270	1,350,159,000	30,498	960	46	24,298	7.3
2009	44,275	1,370,940,000	30,964	960	46	24,642	10.2
2010	44,205	1,360,549,500	30,778	960	46	24,248	7.9
2011	44,040	1,459,689,000	33,145	960	46	24,218	7.8
2012	43,610 *	1,427,232,000 *	32,727 *	960	45	24,233 *	8.0

**Sources:** (a) Polk County, Wisconsin Department of Administration.

(b) U.S. Census.

(c) Bureau of Economic Analysis.

(d) U.S. Department of Labor - Bureau of Labor Statistics.

\* Indicates estimates based on the two previous years or percent change from prior year.

**POLK COUNTY, WISCONSIN  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>Fiscal Year 2012 (a) (b)</u>		<u>Fiscal Year 2003 (a) (b)</u>	
	<u>Employees</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>% of Total County Employment</u>
Amery Regional Medical Center	480	2.2 %	304	1.4 %
St. Croix Regional Medical Center	518	2.4	243	1.1
Wal-Mart	390	1.8	250	1.1
Trollhaugen Inc.	356	1.6	-	-
Osceola Medical Center	341	1.6	-	-
Northwire Inc.	175	0.8	-	-
Tenere Inc.	316	1.4	100	0.5
Polaris Industries Mfg	140	0.6	718	3.2
Menards	134	0.6	-	-
Durex Products	123	0.6	128	0.6
Bishop Fixture & Millwork Inc.	103	0.5	-	-
	<u>3,076</u>	<u>14.1 %</u>	<u>1,743</u>	<u>7.9 %</u>

**Source:** (a) Department of Administration.

(b) Wisconsin Department of Employment and Economic Development.

**POLK COUNTY, WISCONSIN  
EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>	<u>Health and Welfare</u>	<u>Culture and Recreation</u>	<u>Total</u>
2003	-	-	-	-	-	-
2004	58	74	39	142	25	338
2005	60	79	39	139	22	339
2006	64	84	39	138	21	346
2007	64	81	39	132	26	342
2008	67	77	38	135	26	343
2009	66	80	38	132	28	345
2010	65	77	37	128	27	334
2011	67	76	36	119	28	326
2012	67	76	37	118	29	327

**Source:** Polk County, Wisconsin Department of Administration; Adopted Budget.

**Note:** Employee count is based on authorized Full-Time Equivalent (FTE) positions.

Information for 2003 is not available due to County switch to ABRA payroll system.

**POLK COUNTY, WISCONSIN  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

	<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>
<b>General Government</b>										
Number of Cities	2	2	2	2	2	2	2	2	2	2
Number of Towns	24	24	24	24	24	24	24	24	24	24
Number of Villages	10	10	10	10	10	10	10	10	10	10
<b>Public Safety</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Licensed Deputies	26	26	26	26	27	27	27	27	27	27
<b>Highways and Streets</b>										
Miles of County Roads:										
Bituminous	330.85	330.85	330.85	330.85	330.85	329.77	329.77	329.77	329.77	329.77
<b>Culture and Recreation</b>										
Number of County Parks	5	5	5	5	5	5	5	5	5	5
Number of State Parks	1	1	1	1	2	2	2	2	2	2
Number of Branch Libraries	10	10	10	10	10	10	10	10	10	10
Number of Items Available to Citizens	195,305	199,344	203,169	204,880	206,218	224,496	226,116	236,289	256,387	253,869

**Source:** Polk County, Wisconsin Government Center.

**POLK COUNTY, WISCONSIN  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

	<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>
<b>Public Safety</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	15	18	18	18	18	18	18	18	18	18
<b>Highways and Streets</b>										
Streets (Miles)	330.85	330.85	330.85	330.85	330.85	329.77	329.77	329.77	329.77	329.77
<b>Culture and Recreation</b>										
Parks Acreage	220	220	220	220	220	220	220	220	220	220
County Parks	5	5	5	5	5	5	5	5	5	5

**Source:** Polk County, Wisconsin Government Center.