

BARRON COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended December 31, 2006

BARRON COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITORS' REPORT

To The County Board
Barron County, Wisconsin

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 Barron County, Wisconsin (County) as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the County Board and management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the County's management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Barron County, Wisconsin as of December 31, 2006, and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2007 on our consideration of County's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages i through xii and 35 through 38, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedules presented as other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The financial statements of the County for the year ended December 31, 2005 were audited by Tracey & Thole, S.C. (whose practice became a part of LarsonAllen LLP effective January 1, 2007) whose report dated July 7, 2006, on the supplementary information stated such information had been subjected to the auditing procedures applied in the audit of the basic financial statements and expressed an unqualified opinion on the supplementary information.



LarsonAllen LLP

Eau Claire, Wisconsin
July 30, 2007

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

As management of Barron County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Barron County for the year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 3 following this narrative.

FINANCIAL HIGHLIGHTS

- The assets of Barron County exceeded its liabilities at the close of the most recent fiscal year by \$63,338,947 (net assets). Of this amount, \$44,817,510 represented the County's investment in capital assets, net of related debt, \$4,670,751 was held for restricted purposes, and \$13,850,686 was unrestricted. The unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net assets increased by \$3,467,701. Net assets related to the governmental activities of the County increased \$3,818,721 while net assets related to business-type activities decreased \$351,020. The increase in net assets related to governmental activities is primarily attributable to the increase in the County's general fund as a result of positive budget variances.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$19,130,130, a decrease of \$3,686,389 from the previous year. This decrease was primarily attributable to an operations loss in the health and human services fund and use of 2003 capital improvements funds.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$4,385,949 or 25.2% of total general fund expenditures.
- The County's outstanding general obligation debt decreased by \$1,157,949 during the current fiscal year. The County did not issue any new debt during 2006.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Barron 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 Barron County's finances, in a manner similar to a private-sector business.

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

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

The *Statement of Activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets 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.)

Both of the government-wide financial statements distinguish functions of Barron 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, conservation and development and interest and fiscal charges. The business-type activities of the County consist of a waste-to-energy plant owned by the County.

The government-wide financial statements can be found beginning on page 3 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. Barron 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.

Barron County maintains twenty-one individual governmental funds (The County's various debt service funds are considered one fund for report purposes). 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 health and human services special revenue fund, the debt service fund, judicial center building capital projects fund and the campus building capital projects fund, all of which are considered to be major funds. Data from the other sixteen 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.

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

Proprietary Funds. Barron 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 an enterprise fund to account for transactions relating to the operations of its waste-to-energy plant. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Barron County uses an internal service fund to account for its highway department operations. Because the services of the highway department 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 relating to the waste-to-energy plant, which is considered a major fund and the highway department. The basic proprietary fund financial statements can be found beginning on page 9 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 statements can be found beginning on page 12 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 13 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the County's operating budget. Required supplementary information can be found beginning on page 35 of this report.

Following the basic government-wide and fund financial statements, accompanying notes and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for nonmajor governmental funds, individual fund statements for selected funds and a detailed schedule supporting the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities (Exhibit 4A). This supplementary information section of the report begins on page 39.

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Barron County, assets exceeded liabilities by \$63,338,947 at the close of the most recent fiscal year. The largest portion of Barron County's net assets (70.7%) 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 assets:

Condensed Statement of Net Assets December 31, 2006 and 2005

	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 39,011,287	\$ 43,141,292	\$ 216,769	\$ 283,702	\$ 39,228,056	\$ 43,424,994
Capital assets	67,829,307	60,423,451	1,783,803	2,137,471	69,613,110	62,560,922
Internal balances	750,000	810,000	-	-	-	-
Total assets	107,590,594	104,374,743	2,000,572	2,421,173	108,841,166	105,985,916
Long-term debt	24,857,957	26,015,906	-	-	24,857,957	26,015,906
Other long-term obligations	2,142,533	2,037,169	-	-	2,142,533	2,037,169
Other liabilities	18,287,027	17,837,312	214,702	224,283	18,501,729	18,061,595
Internal balances	-	-	750,000	810,000	-	-
Total liabilities	45,287,517	45,890,387	964,702	1,034,283	45,502,219	46,114,670
Net assets:						
Invested in capital assets, net of related debt	43,033,707	34,578,451	1,783,803	2,137,431	44,817,510	36,715,882
Restricted	4,670,751	8,651,932	-	-	4,670,751	8,651,932
Unrestricted	14,598,619	15,253,973	(747,933)	(750,541)	13,850,686	14,503,432
Total net assets	\$ 62,303,077	\$ 58,484,356	\$ 1,035,870	\$ 1,386,890	\$ 63,338,947	\$ 59,871,246

An additional portion of Barron County's net assets (7.4%) represents resources that are subject to other restrictions on how they may be used. The remaining \$13,850,686 of total net assets (21.9%) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net assets increased by \$3,467,701 during the current fiscal year. The increase consisted of an increase in net assets related to governmental activities in the amount of \$3,818,721 and a decrease in net assets related to business-type activities in the amount of \$351,020. The increase in net assets related to governmental activities is primarily attributable to the increase in the County's general fund as a result of positive budget variances and the increase in the highway department internal service fund net assets.

BARRON COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2006

The following is a summary of the changes in the County's net assets for the years ended December 31, 2006 and 2005:

Condensed Statement of Changes in Net Assets
Years Ended December 31, 2006 and 2005

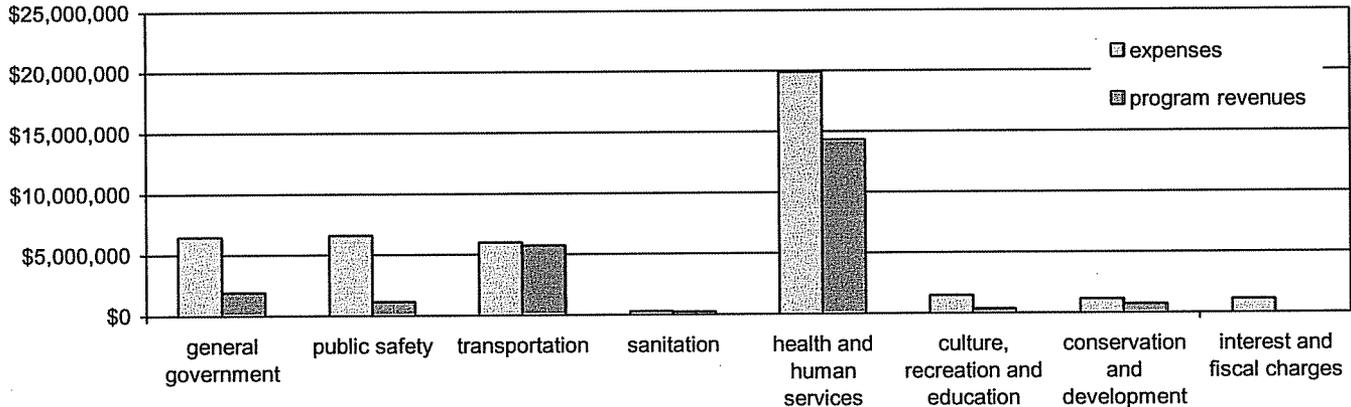
	Governmental Activities		Business-type Activities		Totals	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7,844,559	\$ 7,468,105	\$ 2,270,964	\$ 2,115,475	\$ 10,115,523	\$ 9,583,580
Operating grants and contributions	16,341,008	16,725,478	-	-	16,341,008	16,725,478
Capital grants and contributions	267,822	28,825	-	8,600	267,822	37,425
General revenues:						
Property taxes	14,943,212	14,070,555	-	-	14,943,212	14,070,555
Other taxes	3,947,854	3,984,015	-	-	3,947,854	3,984,015
State and federal aids not restricted to specific programs	1,665,782	1,648,444	-	-	1,665,782	1,648,444
Other	1,785,457	1,124,641	5,068	4,740	1,790,525	1,129,381
Total revenues	<u>46,795,694</u>	<u>45,050,063</u>	<u>2,276,032</u>	<u>2,128,815</u>	<u>49,071,726</u>	<u>47,178,878</u>
Expenses:						
General government	6,458,407	5,201,614	-	-	6,458,407	5,201,614
Public safety	6,584,459	6,243,833	-	-	6,584,459	6,243,833
Transportation	5,996,862	7,527,755	-	-	5,996,862	7,527,755
Sanitation	291,543	274,204	-	-	291,543	274,204
Health and human services	19,917,775	20,308,752	-	-	19,917,775	20,308,752
Culture, recreation and education	1,465,446	1,517,795	-	-	1,465,446	1,517,795
Conservation and development	1,145,299	1,233,400	-	-	1,145,299	1,233,400
Interest and fiscal charges	1,117,182	951,817	-	-	1,117,182	951,817
Waste-to-energy plant	-	-	2,627,052	2,423,011	2,627,052	2,423,011
Total expenses	<u>42,976,973</u>	<u>43,259,170</u>	<u>2,627,052</u>	<u>2,423,011</u>	<u>45,604,025</u>	<u>45,682,181</u>
Change in Net Assets	<u>\$ 3,818,721</u>	<u>\$ 1,790,893</u>	<u>\$ (351,020)</u>	<u>\$ (294,196)</u>	<u>\$ 3,467,701</u>	<u>\$ 1,496,697</u>

A review of the statement of activities can provide a concise picture of how the various functions/programs of Barron County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main services for funding governmental services are property taxes (31.9%), operating grants/contributions (34.9%), and charges for services (16.8%).

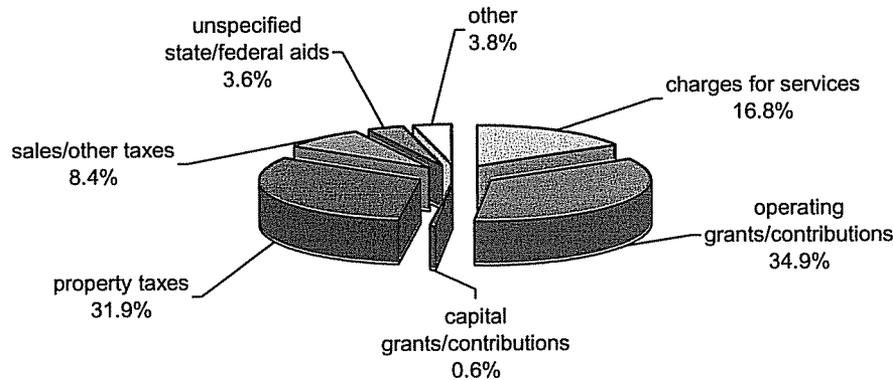
BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

As noted earlier, Barron 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 Barron County's financing requirements. In particular, the level of unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2006, the County's governmental funds reported combined ending fund balances of \$19,130,130, a decrease of \$3,686,389 over the previous year. The governmental funds comprising this balance are shown on the following page:

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

	Fund Balances at 12/31/06				Current Year Change
	Reserved	Designated	Undesignated	Total	
Major Funds:					
General fund	\$ 3,426,523	\$ 4,295,762	\$ 4,385,949	\$ 12,108,234	\$ 2,306,705
Health and human services fund			(586,833)	(586,833)	(938,786)
Debt service fund:					
Debt issue related		5,220		5,220	(9,108)
Employee leave related		2,817,670		2,817,670	-
Capital projects funds:					
Campus building fund		421,615		421,615	(4,334,152)
Nonmajor Funds:					
Special revenue funds:					
Sales tax fund		626,833		626,833	(277,928)
CDBG loan funds		554,734		554,734	83,373
Others		828,881		828,881	103,562
Capital projects funds:					
2003 capital improvements		1,166,803		1,166,803	(818,457)
2004 capital improvements		1,099,020		1,099,020	322,369
Judicial center building fund		87,953		87,953	(123,967)
	<u>\$ 3,426,523</u>	<u>\$ 11,904,491</u>	<u>\$ 3,799,116</u>	<u>\$ 19,130,130</u>	<u>\$ (3,686,389)</u>

Reservations of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The balance of the unreserved fund balance not designated for specific purposes is displayed as undesignated.

The general fund is the primary operating fund used to account for the governmental operations of Barron County. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unreserved, undesignated fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 69.4% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unreserved, undesignated balance represented 25.2% of the same amount.

The general fund's total fund balance increased \$2,306,705 during the year; while the unreserved, undesignated portion of the fund decreased \$1,035,401. The primary factor in the increase in total fund balance was the positive variances between the budgeted and actual revenues and expenditures in the general fund.

The County's health and human services fund decreased \$938,786 during the year and had a negative balance of \$586,833 at year end. The decrease in the fund balance was attributable to expenditures in excess of budgeted amounts and to adjustments relating to prior year transactions.

For reporting purposes, the County has combined its individual debt service funds into one fund. The debt service fund balance at December 31, 2006 totaled \$2,822,890. This balance consisted of \$5,216 to be used for financing future debt service repayments and \$2,817,670 accumulated for payment of accrued employee leave liabilities. The County established the vacation and sick leave liability debt service fund in 2004 by transferring a total of \$2,745,951 from other funds. During 2005 the County transferred an additional \$500,000 into the fund and used \$428,281 to pay principal and interest on debt issued in 2003 to pay off its retirement fund liability. There were no transactions to the fund in 2006.

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

The campus building capital projects fund was established in 2005 to account for the receipt and expenditure of \$5.5 million of debt issued in 2005 to finance capital and remodeling costs related to the UW Barron County campus. The County has also designated \$1,000,000 of its general fund at year end for this project. This balance of the capital projects fund decreased \$4,334,152 during the year.

The aggregated other governmental funds column includes various special revenue funds and a capital projects fund. The accumulated fund balances of these funds decreased \$711,048 during 2006. These funds are individually detailed in the supplementary information section of this report.

Proprietary Funds

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

As of December 31, 2006, the County's waste-to-energy fund reported net assets of \$1,035,870, a decrease of \$351,020 over the previous year. Of this balance, \$1,783,803 consisted of the amount invested in capital assets, leaving a deficit balance of \$747,933 in unrestricted net assets. The County had an interfund advance from its general fund to the waste-to-energy fund of \$750,000 outstanding at December 31, 2006 to finance plant upgrades.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2006 general fund budget was different than the original budget adopted by the County Board, primarily due to the appropriation of unbudgeted program revenues and the inclusion of continuing appropriations from 2005 not included in the original budget. Although the final budget reflects a projected decrease in the general fund balance during 2006, the County ended the year with a positive budget variance for revenues and also a positive variance for expenditures, partially due to unexpended continuing appropriations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Barron County's investment in capital assets for its governmental and business-type activities as of December 31, 2006, amounted to \$69,613,110 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway and other infrastructure as shown on the following page:

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

Capital Assets, Net of Accumulated Depreciation December 31, 2006 and 2005

	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Not subject to depreciation:						
Land and land rights	\$ 3,102,680	\$ 3,102,688	\$ 3,750	\$ 3,750	\$ 3,106,430	\$ 3,106,438
Construction work in progress	2,238,026	783,290			2,238,026	783,290
Subject to depreciation:						
Land improvements	1,095,142	1,022,192			1,095,142	1,022,192
Buildings and improvements	28,481,426	24,127,519	1,676,044	2,011,253	30,157,470	26,138,772
Equipment and vehicles	7,957,614	7,392,033	104,009	122,468	8,061,623	7,514,501
Highway infrastructure	23,098,650	22,176,514			23,098,650	22,176,514
Other infrastructure	1,855,769	1,819,215			1,855,769	1,819,215
Total	\$ 67,829,307	\$ 60,423,451	\$ 1,783,803	\$ 2,137,471	\$ 69,613,110	\$ 62,560,922

Construction work in progress primarily consisted of costs incurred through December 31, 2006 on highway bridges in the amount of \$1,920,260 to be recorded as general county assets upon completion, and in the highway internal service fund costs related to preparation of new machinery and equipment in the amount of \$317,766.

Long-term Obligations

At December 31, 2006, Barron County had outstanding \$27,000,490 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, 2006 and 2005

	Governmental Activities		Business-type Activities		Totals Outstanding		% Change
	2006	2005	2006	2005	12/31/06	12/31/05	
General obligation debt:							
Bonds	\$ 22,345,000	\$ 23,025,000	\$ -	\$ -	\$ 22,345,000	\$ 23,025,000	-3.0%
Notes	2,512,957	2,990,906	-	-	2,512,957	2,990,906	-16.0%
Subtotal	24,857,957	26,015,906	-	-	24,857,957	26,015,906	-4.5%
Other long-term obligations:							
Land contract payable	80,600	120,900	-	-	80,600	120,900	-33.3%
Forest crop loans payable	170,737	168,816	-	-	170,737	168,816	1.1%
Estimated employee leave	1,891,196	1,747,453	-	-	1,891,196	1,747,453	8.2%
Total	\$ 27,000,490	\$ 28,053,075	\$ -	\$ -	\$ 27,000,490	\$ 28,053,075	-3.8%

The county did not issue any new debt in 2006.

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a county may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of Barron County outstanding at December 31, 2006 totaled \$24,857,957, approximately 14% of the maximum legal limit of \$180,463,380. Additional information on Barron County's long-term debt is reported in Note III.E following the financial statements.

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

CURRENTLY KNOWN FACTS

We believe the overall economic future of Barron County to be positive. Although the unemployment rate for Barron County is above both the State and National averages the overall economic climate of the County continues to be strong. We base this opinion in part on a continuing pattern of building by retail, commercial and residential taxpayers. For the first time since the implementation of the ½ percent County Sales Tax in 1986 Barron County did not see an increase in Sales Tax collections but rather saw a 1.5% decrease of \$ 54,321.

- The average unemployment rate for Barron County for 2006 was 5.5%, which compares to a rate of 5.2% in 2005, 6.0% in 2004 and 6.6% for 2003. This data compares to the state's 2006 average unemployment rate of 4.7% which is the same rate as 2005; 4.9% for 2004 and 5.6% for 2003. The national average unemployment rate for the same time periods was 4.6% for 2006, 5.1% for 2005, 5.5% for 2004 and 6.0% for 2003.
- The total estimated value of building permits as issued by the Barron County Zoning Department for 2006 was \$ 31,311,774 compared to \$ 37,889,340 for 2005 and \$ 39,835,468 for 2004. Therefore the estimate of building permits has decreased 21.39% from the 2004 base year. The number of Rezoning Hearings, Special Exception Hearings and Variance Hearings also decreased year-over-year from 2004.
- An analysis of the ½ percent County Sales Tax is discussed below.
- Inflationary trends in the region compare favorably to national indices.

In January 2003 a County Administrator was hired and a Department of Administration including finance was created. In February 2005 departmental financial functions were consolidated into a single Finance department. One of the purposes for hiring a County Administrator and consolidating Finance was to strengthen the overall financial operations of the County and to provide for a mechanism of coordinated fiscal responsibility. All of these factors were considered in preparing Barron County's budget for the 2006 fiscal year.

On the other hand, 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 2006 budget year, Barron County utilized an operating levy rate of \$3.84, a debt levy rate of \$.58, and a special purpose levy rate for the Barron County Library System of \$.154 for a total mill rate of \$4.57/\$1,000 of valuation. The limits were \$4.56 (operating), \$.95 (debt), and \$.17 (actual special purpose) for a total of \$5.68 respectively. Essentially, the County was \$1.11/\$1,000 under the levy cap. This compares to a total levy of \$5.29, \$4.91, \$5.15 and \$ 4.67 for the years 2002 through 2005 respectively. The total levy for 2007 was \$4.32, broken down as follows: operating \$3.66, debt \$.51, special \$.15.

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

The State of Wisconsin has imposed further limits on the County's property taxes beginning with the 2006 budget year for the 2005 tax levy collected in 2006. Essentially, the new legislation restricts the growth in the County's property taxes (except for debt service) to the greater of the percentage increase in the County's equalization value due to new construction or 2%. For Barron County the allowable percentage increase was 2.767 % or \$ 413, 478 this compares to 2.795% or \$393,313 for 2006. The total tax levy for 2006 was \$14,943,212 an increase of \$871,166 over the 2005 levy while the total levy for 2007 is \$ 15,445,538 and increase of \$ 505,326 or 3.4%. This is allowable under current restrictions because debt service payments increased and Barron County assumed additional costs from the City of Rice Lake for dispatch services.

During 2004 Barron County formalized a fund balance policy that results in the County maintaining an undesignated fund balance with a range of 25% to 33% of annual expenditures in the General Fund. As part of this policy, fund balance levels within the Highway Department, Health & Human Services Department and Child Support Agency were established and excess dollars from these funds were transferred into a debt service fund for the purpose of fully funding the accrued vacation and sick leave liability of the County. A formalized policy on fund balance and provision for accrued vacations and sick leave strengthens the overall fiscal health of the County by communicating to third parties our intentions for uses of these funds.

Resolution 2005-20 approved the establishment of a five year capital improvement capital outlay plan for the years 2005-2009 with individual yearly purchases to be approved as part of the annual budget process. We view this as an opportunity for the entire County to implement long-term planning for fixed asset replacement as opposed to a yearly piece-meal approach.

In April 2005 a Health Insurance Task Force comprising County Board members, management and union personnel was created for the purpose of providing a forum for education of the health insurance process, to review group plan options and to develop recommendations. During the past 5 years, health insurance premium increases have varied from 9% to 14%, this translates into annual increase approximating \$370,000. Also to help reduce health insurance costs a deductible was approved in September for the 2006 calendar year which is funded by the employer. However, in succeeding years the deductible will incrementally increase with more costs born by the employee.

As a result of the Health Insurance Task Force Committee recommendations Health Care Consultants Inc (HCC) of Milwaukee WI was retained to help educate employees about health care costs and recommend options for savings. Based upon their recommendations Barron County transitioned from the State of Wisconsin Health Insurance Plan to a private carrier the effect was an approximately \$500,000 savings in health insurance costs; private carrier versus State plan. Barron County continues to use HCC to help monitor claims experience and administration of Health Savings Accounts.

At the June 2005 County Board meeting action was approved authorizing a \$6.5 million dollar expansion to the University of Wisconsin Campus located in Rice Lake. The Board authorized borrowing \$ 5.5 million and funding the balance from internal sources. In connection with borrowing for the University expansion project, the County's bond rating was upgraded by Moody's Investor Service from A3 to A2, resulting in lower borrowing costs for the County. Bids for this project have been favorable and the project will be completed under budget.

BARRON COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2006

In September 2005 the County Board approved a phased retirement program for the purpose of reducing staffing levels by allowing identified employees the option of accepting early retirement in exchange for pre-defined health insurance benefits extending to a maximum of 36 months. The estimated cost of annual savings if all affected employees were to accept this proposal is \$300,000 to \$500,000.

Resolution 2006-29 was approved by the County Board at the June meeting allowing for an assessment against property owners within the Rice Lake Lake District providing for the maintenance and up keep of the Rice Lake Dam. The total assessment is estimated at \$ 11,000. Although not having a material effect on the financial statements as a whole it is mentioned in this document because it is a transfer of services from another municipality. Previously these costs were expended by the City of Rice Lake.

Barron County has implemented and receives the ½ cent county sales tax. Sales tax revenues collected in excess of budget in one year are utilized in the second year following collection. For the year ended December 31, 2006, the County used sales tax revenue as a direct reduction in the general operating property tax levy.

Barron County began collecting the ½ cent sales tax in 1986 with a total collection of \$517,493. In 2006 this amount had grown to an annual figure of \$3,461,256 representing an increase of \$2,943,763 or nearly 6 times the first year's collections. During the 21 year period since 1986 average annual increases have been approximately \$148,570. This translates into a yearly percentage increase in excess of 11%.

During the current fiscal year, unreserved fund balance in the general fund decreased \$1,035,401 to \$4,385,949 or 25.2% of General Fund expenditures of \$17,436,115. This is a positive variance from budget of \$3,378,010. Based on State funding reductions some of these excess dollars may need to be transferred to other funds. To help hold down the 2006/2007 tax levy \$475,023 of unreserved general fund balance was applied. \$150,000 of unreserved general fund was applied to the 2006 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Barron County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Barron County Finance Director, 330 East LaSalle Avenue, Room 2510, Barron, WI 54812.

BARRON COUNTY, WISCONSIN

STATEMENT OF NET ASSETS
December 31, 2006

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and Investments	\$ 16,841,443	\$ 14,629	\$ 16,856,072
Departmental Cash and Investments	94,720		94,720
Taxes Receivable	16,657,742		16,657,742
Accounts Receivable	1,009,561	202,140	1,211,701
Due From Other Governments	2,263,610		2,263,610
Long-term Receivables	1,348,174		1,348,174
Prepaid Expenses	7,069		7,069
Inventories	607,712		607,712
Deferred Charges:			
Unamortized Debt Issuance Costs	33,330		33,330
Other - Highway Department	147,926		147,926
Internal Balances	750,000		-
Capital Assets:			
Capital Assets Not Being Depreciated	5,340,706	3,750	5,344,456
Capital Assets Being Depreciated	100,773,254	7,564,731	108,337,985
Accumulated Depreciation	<u>(38,284,653)</u>	<u>(5,784,678)</u>	<u>(44,069,331)</u>
Total Assets	<u>107,590,594</u>	<u>2,000,572</u>	<u>108,841,166</u>
LIABILITIES			
Vouchers and Accounts Payable	2,530,290	214,702	2,744,992
Accrued Interest	90,465		90,465
Due to Other Governments	347,125		347,125
Deferred Revenues	15,317,929		15,317,929
Special Deposits	1,218		1,218
Internal Balances		750,000	-
Long-term Liabilities:			
Amounts Due Within One Year	2,148,200		2,148,200
Amounts Due in More than One Year	<u>24,852,290</u>		<u>24,852,290</u>
Total Liabilities	<u>45,287,517</u>	<u>964,702</u>	<u>45,502,219</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	43,033,707	1,783,803	44,817,510
Restricted for:			
Debt Service	148,177		148,177
Capital Projects	2,775,391		2,775,391
Housing/Economic Development Loans	1,650,827		1,650,827
Other Purposes	96,356		96,356
Unrestricted	<u>14,598,619</u>	<u>(747,933)</u>	<u>13,850,686</u>
Total Net Assets	<u>\$ 62,303,077</u>	<u>\$ 1,035,870</u>	<u>\$ 63,338,947</u>

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

STATEMENT OF ACTIVITIES
Year Ended December 31, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Primary Government:						
Governmental Activities:						
General Government	\$ 6,458,407	\$ 1,296,828	\$ 345,715	\$267,822	\$ (4,548,042)	\$ -
Public Safety	6,584,459	666,141	501,995		(5,416,323)	
Transportation	5,996,862	4,700,382	1,022,987		(273,493)	
Sanitation	291,543	102,180	142,854		(46,509)	
Health and Human Services	19,917,775	549,053	13,750,687		(5,618,035)	
Culture, Recreation and Education	1,465,446	59,770	320,093		(1,085,583)	
Conservation and Development	1,145,299	470,205	256,677		(418,417)	
Interest and Fiscal Charges	1,117,182				(1,117,182)	
Total Governmental Activities	<u>42,976,973</u>	<u>7,844,559</u>	<u>16,341,008</u>	<u>267,822</u>	<u>(18,523,584)</u>	<u>-</u>
Business-type Activities:						
Waste-to-Energy Plant	<u>2,627,052</u>	<u>2,270,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(356,088)</u>
Total Primary Government	<u>\$45,604,025</u>	<u>\$10,115,523</u>	<u>\$16,341,008</u>	<u>\$267,822</u>	<u>(18,523,584)</u>	<u>(356,088)</u>
General Revenues:						
Taxes:						
Property taxes					14,943,212	
Sales taxes					3,461,256	
Other taxes					486,598	
State and federal aids not restricted to specific programs					1,665,782	
Interest and investment earnings					1,196,459	2,068
Miscellaneous					588,998	3,000
Total General Revenues					<u>22,342,305</u>	<u>5,068</u>
Change in Net Assets					3,818,721	(351,020)
Net Assets - Beginning of Year					<u>58,484,356</u>	<u>1,386,890</u>
Net Assets - End of Year					<u>\$62,303,077</u>	<u>\$1,035,870</u>

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2006

	General Fund	Health and Human Services Fund	Debt Service Fund	Campus Building Fund	Other Governmental Funds	Totals
ASSETS						
Treasurer's Cash and Investments	\$ 9,507,287	\$ (317,151)	\$ 2,822,890	\$ 532,479	\$ 4,177,508	\$ 16,723,013
Departmental Cash and Investments	1,195	85,897			7,628	94,720
Taxes Receivable	9,732,192	4,259,415	1,845,936		820,199	16,657,742
Accounts Receivable	294,125	334,926			93,004	722,055
Due from Other Governments	186,623	821,997			323,455	1,332,075
Advances to Other Funds	1,282,205					1,282,205
Prepaid Expense	6,437	632				7,069
Inventories	4,535					4,535
Long-term Receivables	109,124		142,957		1,096,093	1,348,174
Total Assets	\$ 21,123,723	\$ 5,185,716	\$ 4,811,783	\$ 532,479	\$ 6,517,887	\$ 38,171,588

LIABILITIES AND FUND BALANCES

Liabilities:						
Vouchers and Accounts Payable	\$ 526,643	\$ 1,289,767	\$	\$ 110,864	\$ 225,901	\$ 2,153,175
Due Other Governmental Units	150,607	196,518				347,125
Deferred Revenues	8,337,955	4,285,330	1,988,893		1,927,762	16,539,940
Special Deposits	284	934				1,218
Total Liabilities	9,015,489	5,772,549	1,988,893	110,864	2,153,663	19,041,458
Fund Balances:						
Reserved	3,426,523					3,426,523
Unreserved, Reported In:						
General Fund Designated	4,295,762					4,295,762
General Fund Undesignated	4,385,949					4,385,949
Special Revenue Funds Designated		(586,833)			2,010,448	2,010,448
Special Revenue Funds Undesignated			2,822,890			2,822,890
Debt Service Fund Designated				421,615		421,615
Capital Projects Funds Designated				421,615		421,615
Total Fund Balances	12,108,234	(586,833)	2,822,890	421,615	4,364,224	19,130,130
Total Liabilities and Fund Balances	\$ 21,123,723	\$ 5,185,716	\$ 4,811,783	\$ 532,479	\$ 6,517,887	\$ 38,171,588

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2006**

Total fund balances - governmental funds (Exhibit 3) \$ 19,130,130

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

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

Land	\$ 3,073,168	
Land improvements	271,449	
Buildings and improvements	35,778,320	
Machinery and equipment	3,266,379	
Infrastructure	48,242,266	
Accumulated depreciation	(33,072,461)	
Construction work in progress	<u>1,920,260</u>	59,479,381

Some receivables are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements 1,348,174

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

Bonds payable	22,345,000	
Notes payable	2,512,957	
Accrued interest on above debt	90,465	
Forest crop loans	170,737	
Land contract payable	80,600	
Employee sick leave liability	<u>1,413,325</u>	(26,613,084)

Debt issuance and refinancing costs are deferred in the statement of net assets and amortized over the lives of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred 33,330

An internal service fund is used by County management to account for highway department operations. The assets and liabilities of the internal service fund are reported in governmental activities 8,925,146

Net assets of governmental activities (Exhibit 1) \$ 62,303,077

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended December 31, 2006

	General Fund	Health and Human Services Fund	Debt Service Fund	Campus Building Fund	Other Governmental Funds	Totals
REVENUES:						
Taxes	\$ 8,549,110	\$ 4,259,415	\$ 1,927,973	\$	\$ 4,149,030	\$ 18,885,528
Intergovernmental	3,737,348	12,209,732			2,274,292	18,221,372
Licenses and Permits	235,331				16,959	252,290
Fines and Forfeits	165,747				60,699	226,446
Public Charges for Services	1,479,150	20,466			613,808	2,113,424
Intergovernmental Charges for Services	100,898					100,898
Miscellaneous:						
Interest	901,850			132,937	161,672	1,196,459
Rent	70,549				70,549	70,549
Other	891,698	24,559	36,494		319,063	1,271,814
Total Revenues	<u>16,131,681</u>	<u>16,514,172</u>	<u>1,964,467</u>	<u>132,937</u>	<u>7,595,523</u>	<u>42,338,780</u>
EXPENDITURES:						
General Government	5,010,187				1,293,240	6,303,427
Public Safety	6,258,748				8,765	6,267,513
Transportation	3,812,987					3,812,987
Sanitation					274,800	274,800
Health and Human Services	188,729	17,452,958			2,253,829	19,895,516
Culture, Recreation and Education	1,125,187			4,467,089	320,678	5,912,954
Conservation and Development	1,040,277				186,898	1,227,175
Debt Service:						
Principal Retirement			1,198,249			1,198,249
Interest and Fiscal Charges			1,132,548			1,132,548
Total Expenditures	<u>17,436,115</u>	<u>17,452,958</u>	<u>2,330,797</u>	<u>4,467,089</u>	<u>4,338,210</u>	<u>46,025,169</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,304,434)</u>	<u>(938,786)</u>	<u>(366,330)</u>	<u>(4,334,152)</u>	<u>3,257,313</u>	<u>(3,686,389)</u>
OTHER FINANCING SOURCES (USES):						
Transfers In	3,761,602		357,222			4,118,824
Transfers Out	(150,463)				(3,968,361)	(4,118,824)
Total Other Financing Sources (Uses)	<u>3,611,139</u>	<u>-</u>	<u>357,222</u>	<u>-</u>	<u>(3,968,361)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>2,306,705</u>	<u>(938,786)</u>	<u>(9,108)</u>	<u>(4,334,152)</u>	<u>(711,048)</u>	<u>(3,686,389)</u>
FUND BALANCES, JANUARY 1	<u>9,801,529</u>	<u>351,953</u>	<u>2,831,998</u>	<u>4,755,767</u>	<u>5,075,272</u>	<u>22,816,519</u>
FUND BALANCES, DECEMBER 31	<u>\$ 12,108,234</u>	<u>\$ (586,833)</u>	<u>\$ 2,822,890</u>	<u>\$ 421,615</u>	<u>\$ 4,364,224</u>	<u>\$ 19,130,130</u>

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2006**

Net change in fund balances - total governmental funds (Exhibit 4) \$ (3,686,389)

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	\$ 8,835,306	
Depreciation expense reported in the statement of activities	<u>(2,008,473)</u>	6,826,833

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 assets differs from the change in fund balances by the book value of capital assets disposed of during the year

(102,611)

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

(99,448)

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

Bond principal retirement	680,000	
Long-term notes principal retirement	477,949	
Land contract retirement	40,300	
Net change in county forest crop loan	<u>(1,921)</u>	1,196,328

An internal service fund is used by County management to account for highway department operations. The change in net assets of this internal service fund is allocated to governmental activities

(194,337)

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 decrease in accrued interest at year end	26,584	
Net increase in compensated absences at year end	(137,021)	
Amortization of debt issuance related costs	<u>(11,218)</u>	<u>(121,655)</u>

Change in net assets of governmental activities (Exhibit 2)

\$ 3,818,721

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

**BALANCE SHEET
PROPRIETARY FUNDS
December 31, 2006**

	<u>Business-type Activities - Enterprise Fund Waste-to-Energy Plant</u>	<u>Governmental Activities - Internal Service Fund Highway Department</u>
ASSETS		
Current Assets:		
Cash and Investments:		
Operations	\$ 14,629	\$ -
Gravel Pit Closure		118,230
Petty Cash		200
Accounts Receivable	202,140	287,506
Due from Other Governmental Units		931,535
Inventories		603,177
Total Current Assets	<u>216,769</u>	<u>1,940,648</u>
Noncurrent Assets:		
Capital Assets	7,568,481	13,562,118
Less Accumulated Depreciation	<u>5,784,678</u>	<u>5,212,192</u>
Net Capital Assets	1,783,803	8,349,926
Other Deferred Debits		147,926
Total Noncurrent Assets	<u>1,783,803</u>	<u>8,497,852</u>
Total Assets	<u><u>\$ 2,000,572</u></u>	<u><u>\$ 10,438,500</u></u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 214,702	\$ 377,115
Deferred Revenues:		
Small Field Tools		126,163
Advance from General Fund		532,205
Current Portion of Long-term Liabilities:		
Accrued Employee Leave		141,833
Total Current Liabilities	<u>214,702</u>	<u>1,177,316</u>
Long-term Liabilities (Net of Current Portion):		
Advance from the General Fund	750,000	
Accrued Employee Leave		336,038
Total Long-term Liabilities	<u>750,000</u>	<u>336,038</u>
Total Liabilities	<u>964,702</u>	<u>1,513,354</u>
NET ASSETS		
Invested in Capital Assets	1,783,803	8,349,926
Unrestricted	<u>(747,933)</u>	<u>575,220</u>
Total Net Assets	<u>1,035,870</u>	<u>8,925,146</u>
Total Liabilities and Net Assets	<u><u>\$ 2,000,572</u></u>	<u><u>\$ 10,438,500</u></u>

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2006**

	<u>Business-type Activities - Enterprise Fund Waste-to-Energy Plant</u>	<u>Governmental Activities - Internal Service Fund Highway Department</u>
OPERATING REVENUES:		
Charges for Services	\$ 2,270,964	\$ 8,342,119
Miscellaneous	<u>3,000</u>	<u>171,250</u>
Total Operating Revenues	2,273,964	8,513,369
OPERATING EXPENSES	<u>2,627,052</u>	<u>8,707,706</u>
OPERATING LOSS	(353,088)	(194,337)
NONOPERATING REVENUES:		
Interest Income	<u>2,068</u>	<u>-</u>
LOSS BEFORE CONTRIBUTIONS	(351,020)	(194,337)
CONTRIBUTIONS:		
Transfer of Liability for Land Contract Payable to the General Fund	<u>-</u>	<u>120,900</u>
CHANGE IN NET ASSETS	(351,020)	(73,437)
NET ASSETS, JANUARY 1	<u>1,386,890</u>	<u>8,998,583</u>
NET ASSETS, DECEMBER 31	<u>\$ 1,035,870</u>	<u>\$ 8,925,146</u>

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2006**

	Business-type Activities - Enterprise Fund Waste-to-Energy Plant	Governmental Activities - Internal Service Fund Highway Department
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Departments/Third Parties	\$ 2,268,417	\$ 8,800,542
Cash Paid to Suppliers for Goods and Services	(1,726,099)	(4,174,697)
Cash Paid for Employee Services	(556,866)	(3,444,726)
Net Cash Provided by (Used for) Operating Activities	(14,548)	1,181,119
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advance from General Fund for Working Capital Purposes	-	532,205
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received from Sale of Capital Assets		16,700
Acquisition of Capital Assets		(1,225,249)
Building Improvements		(24,109)
Construction Work in Progress		(317,645)
Repayment on Advance from General Fund	(60,000)	
Net Cash Used for Capital and Related Financing Activities	(60,000)	(1,550,303)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	2,068	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(72,480)	163,021
CASH AND CASH EQUIVALENTS, JANUARY 1	87,109	(44,591)
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 14,629	\$ 118,430
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Loss	\$ (353,088)	\$ (194,337)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	353,668	868,669
Amortization of Deferred Prior Service Retirement Costs		64,638
Changes in Asset and Liability Accounts:		
Decrease (Increase) in Accounts Receivable	(5,548)	91,198
Decrease in Due From Other Governments		313,833
Increase in Inventory		(150,096)
Increase in Other Deferred Charges		(9,228)
Increase (Decrease) in Accounts Payable	(9,580)	195,872
Decrease in Deferred Cost Pool Revenues		(6,152)
Increase in Accrued Employee Leave		6,722
Net Cash Provided by (Used for) Operating Activities	\$ (14,548)	\$ 1,181,119

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2006

	<u>Agency Funds</u>
ASSETS	
Treasurer's Cash and Investments	\$ 899,609
Departmental Cash	230,257
Taxes Receivable	645,840
Accounts Receivable	2,267
Due from Other Governmental Units	<u>320</u>
Total Assets	<u><u>\$ 1,778,293</u></u>
LIABILITIES	
Accounts Payable	\$ 461,639
Due Other Governmental Units	1,052,160
Special Deposits	<u>264,494</u>
Total Liabilities	<u><u>\$ 1,778,293</u></u>

See accompanying notes to the basic financial statements

BARRON COUNTY, WISCONSIN

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Year Ended December 31, 2006

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BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Barron County (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. Reporting Entity

Barron County is governed by a board of supervisors consisting of twenty-nine 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.

The basic financial statements of the County consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the County.

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 below:

Government-wide Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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 are 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.

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

B. Government-wide and Fund Financial Statements (cont'd.)

Fund Financial Statements

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

Separate financial statements are provided for governmental funds, 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 operating fund of the County. It is used to account for all financial resources of the County, except those required to be accounted for in another fund.

Health and Human Services Fund - The Health and Human Services Fund, a special revenue fund, is used to account for various County health and human services programs. Through the human services programs, the County provides mental health, developmental disabilities and alcoholism and drug abuse rehabilitation services to residents of the County and administers the various social services and income maintenance programs provided by and through the County.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds. For report purposes, the County's individual debt service funds are combined into one fund.

UWBC Campus Building Fund - The UWBC Campus Building Fund, a capital projects fund, is used to account for transactions relating to the expansion/renovation of the UW Barron County campus.

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

The County reports the following major enterprise fund:

Waste-to-Energy Fund - This fund accounts for the operations of the County's waste-to-energy plant.

The County had no other enterprise funds.

Additionally, the County reports the following fund types:

- An internal service fund is used to account for the operations of the County's highway department.
- Agency funds are 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.

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements and the proprietary funds and fiduciary fund 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.

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 assets 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 a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received 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.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

BARRON COUNTY, WISCONSIN

NOTES TO BASIC FINANCIAL STATEMENTS Year Ended December 31, 2006

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

C. Measurement Focus and Basis of Accounting (cont'd.)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is payments between governmental activities and business-type activities for services provided.

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 waste-to-energy plant are contracts with haulers and other charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 Assets or Equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with a 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:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Bonds or securities issued or guaranteed by the federal government.
3. 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.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. Bonds or securities issued under the authority of the municipality.
7. The local government investment pool.
8. Repurchase agreements with public depositories, with certain conditions.

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

BARRON COUNTY, WISCONSIN

NOTES TO BASIC FINANCIAL STATEMENTS Year Ended December 31, 2006

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

D. Assets, Liabilities, and Net Assets or Equity (cont'd.)

1. Deposits and Investments (cont'd.)

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.

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 balance sheet. 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 therefor.

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 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 reserved 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 County administration believes such allowance would not be material.

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. The amounts recorded as loans receivable have not been reduced by an allowance for uncollectible accounts. It is the County's policy to record deferred revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received. Any unspent loan repayments at year end are presented as designated fund balance in the fund financial statements.

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

D. Assets, Liabilities, and Net Assets or Equity (cont'd.)

2. Receivables and Payables (cont'd.)

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 non-current 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 fund balance reserve 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. 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, if any, 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.

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. 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.

BARRON COUNTY, WISCONSIN

NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

D. Assets, Liabilities, and Net Assets or Equity (cont'd.)

5. Capital Assets (cont'd.)

Government-wide Statements. (cont'd.) 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:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land Improvements	\$5,000	Straight-line	15-50 Years
Buildings and Improvements	\$5,000	Straight-line	10-40 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.

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 IV.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 assets. 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.

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

D. Assets, Liabilities, and Net Assets or Equity (cont'd.)

9. Claims and Judgments

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

10. 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 assets in the government-wide financial statements and is displayed in three components. Net assets invested in capital assets, net of related debt 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 assets are 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 assets are displayed as unrestricted.

Fund Financial Statements. Fund equity of governmental funds are classified as fund balance. Reservations of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The balance of the unreserved fund balance not designated for specific purposes is displayed as undesignated. Fund equity in proprietary funds and fiduciary funds is classified in the same manner as in the government-wide statements.

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

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of governmental fund balances and changes thereto to the net assets and revenues/expenses shown in the government-wide financial statements are presented in Exhibit 3A and Exhibit 4A, respectively.

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2006 totaled \$18,080,658 as shown in the financial statements as follows:

Governmental Funds (Exhibit 3)	\$ 16,817,733
Proprietary Funds (Exhibit 5)	133,059
Fiduciary Funds (Exhibit 8)	<u>1,129,866</u>
	<u><u>\$ 18,080,658</u></u>

The above cash and investments balances totaling \$18,080,658 consisted of the following:

Treasurer's Cash and Investments:		
Deposits in Financial Institutions	\$ 6,692,268	
Deposits in State Local-Government Pooled-Investment Fund	<u>11,063,213</u>	\$ 17,755,481
Departmental Cash and Investments:		
Deposits at Financial Institutions:		
Funds Held in Trust	323,732	
Petty Cash Funds	<u>1,445</u>	<u>325,177</u>
Total Cash and Investments at December 31, 2006		<u><u>\$ 18,080,658</u></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 \$100,000 for time and savings deposits and up to \$100,000 for demand deposits at any institution. In addition, funds held 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 by federal depository insurance and the State Guarantee Fund. The County's coverage on its deposits of County funds at December 31, 2006 is summarized below:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 533,532	\$ 540,518
Uninsured:		
Covered under State Guarantee Fund	1,880,399	1,896,696
Collateralized by Financial Institutions	<u>4,602,069</u>	<u>5,131,891</u>
	<u><u>\$ 7,016,000</u></u>	<u><u>\$ 7,569,105</u></u>

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

A. Deposits and Investments (cont'd.)

Investments

The County's investments at December 31, 2006 consisted of deposits in the following external investment pool:

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 2006 was approximately 19 days.

Credit risk for investments is the risk that an issuer or 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 I.D.1.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the County.

B. Receivables/Deferred Revenues

1. Taxes Receivable

Taxes receivable at December 31, 2006 totaled \$17,303,582 as detailed below:

	<u>Governmental Funds</u>	<u>Agency Fund</u>	<u>Totals</u>
Current Taxes Receivable:			
2006 Apportionment:			
State Taxes	\$	\$ 645,840	\$ 645,840
County Taxes	14,992,982		14,992,982
Total	<u>14,992,982</u>	<u>645,840</u>	<u>15,638,822</u>
Delinquent Taxes Receivable:			
Tax Certificates:			
2006 Sale (2005 Tax)	1,197,062		1,197,062
2005 Sale	376,914		376,914
2004 Sale	57,375		57,375
2003 Sale and Prior Years	6,270		6,270
Total	<u>1,637,621</u>	<u>-</u>	<u>1,637,621</u>
Tax Deeds Owned by County	<u>27,139</u>	<u>-</u>	<u>27,139</u>
Total Taxes Receivable	<u>\$ 16,657,742</u>	<u>\$ 645,840</u>	<u>\$ 17,303,582</u>

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

B. Receivables/Deferred Revenues (cont'd.)

2. Other Receivables

Other accounts receivable at December 31, 2006 are further detailed as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
Accounts Receivable:						
General	\$ 294,125	\$ 427,930	\$	\$ 287,506	\$ 2,267	\$ 1,011,828
Customers			202,140			202,140
	<u>294,125</u>	<u>427,930</u>	<u>202,140</u>	<u>287,506</u>	<u>2,267</u>	<u>1,213,968</u>
Due From Other Governments	186,623	1,145,452	-	931,535	320	2,263,930
Long-term Receivables:						
General Fund	109,124					109,124
Fair Association Loan		142,957				142,957
CDBG Program Loans		1,096,093				1,096,093
	<u>109,124</u>	<u>1,239,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,348,174</u>
	<u>\$ 589,872</u>	<u>\$ 2,812,432</u>	<u>\$ 202,140</u>	<u>\$ 1,219,041</u>	<u>\$ 2,587</u>	<u>\$ 4,826,072</u>

A discussion on long-term receivables outstanding at December 31, 2006 follows:

Sale of Snowmobile Trail Groomers. At December 31, 2006 the County had long-term receivables in the amount of \$14,000 due from Barron Snowbears, Inc., \$64,124 due from Rice Lake Snobirds, Inc. and \$27,000 due from Chetek Sno-Flyers, three nonprofit corporations, relating to the sale of snowmobile trail groomers under lease-purchase agreements. Terms of the agreements state that ten equal yearly installments are to be made plus interest at one percent above the rate that the County can borrow money for on the remaining balance. Collections on the long-term receivables are recognized as revenue at the time of collection.

Historical Society Building Loan. On August 29, 1997 the County loaned the Barron County Historical Society, a nonprofit corporation, \$40,000 to finance building costs. The term of the loan is ten years with an interest rate of six percent. The amount outstanding totaled \$4,000 at December 31, 2006.

Advance to Fair Association. During 2003 the County advanced the proceeds of a state trust fund loan in the amount of \$225,000 to the Barron County Fair Association for the purpose of assisting the Association with financing the construction of a fairgrounds grandstand. Repayment terms have been established which mirror the repayment requirements on the debt issue. (Repayment requirements on the debt issue are shown in Note III.E.) The advance has been recorded in the debt service fund. Repayment requirements on the advance will be recognized as revenue in the debt service fund as they become due. The balance outstanding on the advance at December 31, 2006 was \$142,957.

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

B. Receivables/Deferred Revenues (cont'd.)

2. Other Receivables (cont'd.)

Housing Program Loans. The County has participated in the Small Cities Community Development Block Grant (CDBG) program which involved the financing of housing rehabilitation as specified within the contracts signed with the Wisconsin Department of Administration.

The County had 77 deferred mortgage loans outstanding at December 31, 2006 totaling \$624,261. These notes become due and payable in the event that the maker -

- a. no longer continues to occupy the premises securing this note as a full time residence, or
- b. transfers any legal or equitable interest in the mortgage premises to anyone for any reason.

Transactions related to this program are recorded in a special revenue fund which had a balance of \$113,048 at December 31, 2006. Collections on these loans are recognized as revenue at the time of their receipt. These collections are restricted for financing similar rehabilitation projects.

Economic Development Program Loans. During 1997 and 1998 the County received CDBG funds to be used for business start-up and expansion loans. Repayments received on the loans are recorded in a revolving loan fund. The County can then make additional loans to businesses wishing to expand or locate in the County. The County can retain \$750,000 of loan repayments in its revolving loan fund.

Transactions related to this program are recorded in a special revenue fund which had a fund balance of \$441,686 at December 31, 2006. The outstanding loan balance at December 31, 2006 totaled \$471,832.

3. Deferred 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:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
2006 Tax Levy	\$	\$ 14,992,982	\$ 14,992,982
Unexpended Grant Funds:			
General Fund		161,399	161,399
Aging Disability Resource Center		25,915	25,915
Snowmobile Trails		11,470	11,470
Long-term Receivables:			
General Fund	109,124		109,124
Debt Service Fund	142,957		142,957
CDBG Loan Programs:			
Economic Development	471,832		471,832
Housing	624,261		624,261
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 1,348,174</u>	<u>\$ 15,191,766</u>	<u>\$ 16,539,940</u>

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

C. Capital Assets

Capital assets activity for the year ended December 31, 2006 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
General County Assets:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,073,176	\$ -	\$ 8	\$ 3,073,168
Construction Work in Progress	783,169	1,920,260	783,169	1,920,260
Total Capital Assets Not Being Depreciated	<u>3,856,345</u>	<u>1,920,260</u>	<u>783,177</u>	<u>4,993,428</u>
Capital Assets Being Depreciated:				
Land Improvements	207,009	64,440		271,449
Buildings and Improvements	30,554,319	5,224,001		35,778,320
Equipment	1,831,570	308,082	246,683	1,892,969
Vehicles	1,326,154	221,937	174,681	1,373,410
Highway Infrastructure:				
Roadways	35,589,755	1,515,733		37,105,488
Bridges and Culverts	7,405,965	228,984		7,634,949
Guardrails	286,376			286,376
Other Infrastructure:				
Dams	1,838,648			1,838,648
Sewer and Electric	244,039			244,039
Snowmobile Bridges	849,911	27,115		877,026
Private Roads	147,817	107,923		255,740
Total Capital Assets Being Depreciated	<u>80,281,563</u>	<u>7,698,215</u>	<u>421,364</u>	<u>87,558,414</u>
Total Capital Assets	<u>84,137,908</u>	<u>9,618,475</u>	<u>1,204,541</u>	<u>92,551,842</u>
Accumulated Depreciation:				
Land Improvements	25,220	11,360		36,580
Building and Improvements	6,998,692	838,265		7,836,957
Equipment	1,192,638	112,206	220,999	1,083,845
Vehicles	799,417	125,577	97,762	827,232
Highway Infrastructure:				
Roadways	18,246,429	666,815		18,913,244
Bridges and Culverts	2,693,055	144,311		2,837,366
Guardrails	166,098	11,455		177,553
Other Infrastructure:				
Dams	984,658	45,967		1,030,625
Sewer and Electric	15,456	9,761		25,217
Snowmobile Bridges	247,898	34,629		282,527
Private Roads	13,188	8,127		21,315
Total Accumulated Depreciation	<u>31,382,749</u>	<u>2,008,473</u>	<u>318,761</u>	<u>33,072,461</u>
Net Capital Assets - General County	<u>52,755,159</u>	<u>7,610,002</u>	<u>885,780</u>	<u>59,479,381</u>

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

C. Capital Assets (cont'd.)

Governmental Activities: (cont'd.)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Highway Department:				
Capital Assets Not Being Depreciated:				
Land	\$ 29,512	\$ -	\$ -	\$ 29,512
Construction Work in Progress	121	317,766	121	317,766
Total Capital Assets Not Being Depreciated	<u>29,633</u>	<u>317,766</u>	<u>121</u>	<u>347,278</u>
Capital Assets Being Depreciated:				
Land Improvements	100,765	24,109		124,874
Gravel Pits and Quarries	777,124			777,124
Buildings and Improvements	1,189,196			1,189,196
Machinery and Equipment	10,721,803	1,627,170	1,225,327	11,123,646
Total Capital Assets Being Depreciated	<u>12,788,888</u>	<u>1,651,279</u>	<u>1,225,327</u>	<u>13,214,840</u>
Total Capital Assets	<u>12,818,521</u>	<u>1,969,045</u>	<u>1,225,448</u>	<u>13,562,118</u>
Accumulated Depreciation:				
Land Improvements	37,486	4,239		41,725
Buildings and Improvements	617,304	31,829		649,133
Machinery and Equipment	4,495,439	840,802	814,907	4,521,334
Total Accumulated Depreciation	<u>5,150,229</u>	<u>876,870</u>	<u>814,907</u>	<u>5,212,192</u>
Net Capital Assets - Highway Department				
	<u>7,668,292</u>	<u>1,092,175</u>	<u>410,541</u>	<u>8,349,926</u>
Capital Assets Not Being Depreciated				
	3,885,978	2,238,026	783,298	5,340,706
Capital Assets Being Depreciated				
	<u>93,070,451</u>	<u>9,349,494</u>	<u>1,646,691</u>	<u>100,773,254</u>
Total Capital Assets	<u>96,956,429</u>	<u>11,587,520</u>	<u>2,429,989</u>	<u>106,113,960</u>
Accumulated Depreciation	<u>36,532,978</u>	<u>2,885,343</u>	<u>1,133,668</u>	<u>38,284,653</u>
Net Capital Assets - Government Activities				
	<u>\$ 60,423,451</u>	<u>\$ 8,702,177</u>	<u>\$ 1,296,321</u>	<u>\$ 67,829,307</u>

Depreciation was charged to governmental functions as follows:

General County Assets:

General Government	\$ 150,813
Public Safety	709,410
Transportation	824,480
Sanitation	16,743
Health and Human Services	27,306
Culture, Recreation and Education	230,435
Conservation and Development	49,286
	<u>2,008,473</u>

Highway Department:

Transportation	876,870
	<u>\$ 2,885,343</u>

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

C. Capital Assets (cont'd.)

Business-type Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Waste-to-Energy Plant:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,750	\$ -	\$ -	\$ 3,750
Capital Assets Being Depreciated:				
Building and Non-moveable Equipment	7,278,180			7,278,180
Machinery and Equipment	286,551			286,551
Total Capital Assets Being Depreciated	7,564,731	-	-	7,564,731
Total Capital Assets	7,568,481	-	-	7,568,481
Accumulated Depreciation:				
Building and Non-moveable Equipment	5,266,927	335,209		5,602,136
Machinery and Equipment	164,083	18,459		182,542
Total Accumulated Depreciation	5,431,010	353,668	-	5,784,678
Net Capital Assets - Business-type Activities	\$ 2,137,471	\$ (353,668)	\$ -	\$ 1,783,803

Depreciation was charged to the following business-type activity:

Waste-to-Energy Operations	\$353,668
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D. Interfund Receivables, Payables and Transfers

Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Waste-to-Energy	\$750,000
General Fund	Highway Department	\$532,205

Waste to Energy. During 2003 the County authorized an advance of up to \$600,000 from its general fund to its waste-to-energy plant enterprise fund for financing plant upgrades to meet federal emissions standards with the advance to be repaid within ten years. During 2005, the County authorized an additional advance of \$250,000 for the same purposes to be repaid within fifteen years. The enterprise fund repaid \$60,000 on the advances during the year leaving an outstanding balance on the advances of \$750,000 at December 31, 2006.

Highway Department. The County's general fund has advanced the highway department \$532,205 to cover the cash account deficits as of December 31, 2006. No terms for repayment have been established, the County anticipates the advance to be repaid as funds become available in the highway department.

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

D. Interfund Receivables, Payables and Transfers (cont'd.)

Interfund Transfers

Interfund transfers during the year consisted of the following:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	County Sales Tax Fund (SR)	\$ 3,739,184
General Fund	2003 Capital Improvements Fund	14,287
General Fund	Office on Aging Fund	8,131
Debt Service Fund	Judicial Center Building Fund	141,759
Debt Service Fund	General Fund	150,463
Debt Service Fund	Jail Assessments Fund (SR)	65,000
		<u>\$ 4,118,824</u>

The transfer from the county sales tax fund to the general fund consisted of the amount of county sales tax collections applied to the 2006 budget. Transfers from the various special revenue funds and the capital projects fund to the debt service fund were made to fund repayment of debt.

E. Long-term Obligations

Changes in Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2006:

	<u>Balances</u> <u>1/1/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>12/31/06</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Long-term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 23,025,000	\$ -	\$ 680,000	\$ 22,345,000	\$ 795,000
General Obligation Notes	2,990,906		477,949	2,512,957	489,346
Total Long-term Debt	<u>\$ 26,015,906</u>	<u>\$ -</u>	<u>\$ 1,157,949</u>	<u>\$ 24,857,957</u>	<u>\$ 1,284,346</u>
Other Long-term Obligations:					
Governmental Activities:					
Governmental Funds:					
Forest Crop Loans Payable	\$ 168,816	\$ 1,921	\$ -	\$ 170,737	\$ -
Land Contract Payable	120,900		40,300	80,600	40,300
Employee Leave Liability	1,276,304	137,021		1,413,325	657,564
Highway Internal Service Fund:					
Employee Leave Liability	471,149	6,722		477,871	165,990
	<u>\$ 2,037,169</u>	<u>\$ 145,664</u>	<u>\$ 40,300</u>	<u>\$ 2,142,533</u>	<u>\$ 863,854</u>

The County's estimated liability for employee leave is discussed in Note IV.A.

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

E. Long-term Obligations (cont'd.)

General Obligation Long-term Debt

Annual Requirements for Retirement. Long-term general obligation debt issues outstanding at December 31, 2006 and annual requirements for their retirement were as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Bonds:				
General Obligation Justice Center	2007	\$ 400,000	\$ 414,985	\$ 814,985
Bonds Series 2001, \$10,000,000,	2008	420,000	400,555	820,555
dated 12/1/01, due 12/1/21, interest	2009	435,000	382,555	817,555
at 3.50% to 4.90%	2010	455,000	363,655	818,655
	2011	480,000	344,080	824,080
	2012-2016	2,770,000	1,391,345	4,161,345
	2017-2021	3,595,000	707,070	4,302,070
		<u>8,555,000</u>	<u>4,004,245</u>	<u>12,559,245</u>
General Obligation Justice Center	2007	100,000	351,535	451,535
Bonds Series 2002, \$9,000,000,	2008	200,000	348,035	548,035
dated 12/30/02, due 12/1/22, interest	2009	300,000	340,835	640,835
at 2.50% to 4.45%	2010	400,000	330,035	730,035
	2011	430,000	315,035	745,035
	2012-2016	2,485,000	1,311,177	3,796,177
	2017-2021	3,730,000	706,123	4,436,123
	2022	860,000	38,270	898,270
		<u>8,505,000</u>	<u>3,741,045</u>	<u>12,246,045</u>
General Obligation University Campus	2007	295,000	193,070	488,070
Building Bonds Series 2005A, \$5,500,000,	2008	305,000	183,483	488,483
dated 8/8/05, due 12/1/20, interest	2009	315,000	173,570	488,570
at 3.25% to 4.00%	2010	325,000	162,545	487,545
	2011	340,000	151,170	491,170
	2012-2016	1,915,000	564,906	2,479,906
	2017-2020	1,790,000	177,495	1,967,495
		<u>5,285,000</u>	<u>1,606,239</u>	<u>6,891,239</u>
General Obligation Notes:				
State Trust Fund Loan, \$225,000,	2007	34,346	7,148	41,494
dated 5/21/03, due 3/15/16,	2008	16,048	5,446	21,494
interest at 5.00%	2009	16,866	4,628	21,494
(fair association)	2010	17,709	3,785	21,494
	2011	18,594	2,899	21,493
	2012-2016	39,394	2,969	42,363
		<u>142,957</u>	<u>26,875</u>	<u>169,832</u>

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

E. Long-term Obligations (cont'd.)

General Obligation Long-term Debt (cont'd.)

Annual Requirements for Retirement (cont'd.)

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Notes: (cont'd.)				
Promissory Notes, \$3,695,000,	2007	\$ 455,000	\$ 72,530	\$ 527,530
dated 1/8/03, due 6/1/13,	2008	295,000	60,017	355,017
interest at 1.25-3.35%	2009	300,000	51,167	351,167
(capital improvements)	2010	310,000	42,168	352,168
	2011	320,000	32,868	352,868
	2012-2013	690,000	28,894	718,894
		<hr/>		
		2,370,000	287,644	2,657,644
		<hr/>		
Total Outstanding General Obligation Debt at December 31, 2006		\$ 24,857,957	\$ 9,666,048	\$ 34,524,005

General Obligation Debt Limitation. Section 67.03 of the Wisconsin Statutes restricts county general obligation debt to 5% of the equalized value of all property in the county. At December 31, 2006, the County's debt limit amounted to \$180,463,380 and indebtedness subject to the limitation totaled \$24,857,957.

Land Contract Payable

The County had the following land contract outstanding at December 31, 2006 payable from the general fund:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Land Contract Payable, \$201,500,	2007	\$ 40,300	\$ 4,715	\$ 45,015
dated 6/30/03, due 6/13/08,	2008	40,300	2,358	42,658
interest at 5.8%		<hr/>		
(gravel pit land purchase)		\$ 80,600	\$ 7,073	\$ 87,673

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 payments from the state as a noninterest bearing loan 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% of the actual stumpage sales value of timber. A higher rate of payment may be applied if agreed upon by the state and 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. Loan balances due the state under the program totaled \$170,737 at December 31, 2006.

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2006 consisted of the following:

	<u>Total</u>	<u>Reserved</u>	<u>Designated</u>	<u>Undesignated</u>
Major Funds:				
General Fund	\$ 12,108,234	\$	\$	\$
Reserved for Delinquent Taxes		1,664,760		
Reserved for Inventories		4,535		
Reserved for Advances to Other Funds		1,282,205		
Reserved for Subsequent Years Budget		475,023		
Designated (See Schedule B-2)			4,295,762	
Undesignated				4,385,949
Health and Human Services Fund	(586,833)			(586,833)
Debt Service Fund	2,822,890		2,822,890	
University Campus Building Fund	421,615		421,615	
Nonmajor Funds:				
Special Revenue Funds:				
Support Collection Agency Fund	204,372		204,372	
Office on Aging Programs Fund	276,135		276,135	
Aging Disability Resource Center	29		29	
Snowmobile Trails Fund	21,368		21,368	
Jail Assessment Fees Fund	64,744		64,744	
DARE Program Fund	10,851		10,851	
Recycling Project Fund	250,582		250,582	
County Sales Tax Fund	626,833		626,833	
CDBG Funds:				
Housing Programs	113,048		113,048	
Economic Development Programs	441,686		441,686	
Dog License Fund	800		800	
Capital Projects Funds:				
2003 Capital Improvements Fund	1,166,803		1,166,803	
2004 Capital Improvements Fund	1,099,020		1,099,020	
Judicial Center Building Fund	87,953		87,953	
Total Governmental Funds Balances at December 31, 2006	<u>\$ 19,130,130</u>	<u>\$ 3,426,523</u>	<u>\$ 11,904,491</u>	<u>\$ 3,799,116</u>

BARRON COUNTY, WISCONSIN

**NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006**

NOTE IV - OTHER INFORMATION

A. Employee Leave Liability

Employees earn one day of sick leave per month and generally may accumulate sick leave up to a maximum of 180 days. Certain sheriff department and public health agency employees have maximum allowable accumulation of 120 days. All non-elected employees with over five years of service are entitled to payment for one-half of accumulated sick leave upon termination. Employees with less than five years of service receive no sick leave benefit upon leaving county service. At December 31, 2006, vested sick leave earned and not taken was approximately \$755,761 in the governmental funds and \$336,038 in the highway department internal service fund determined on the basis of current wage and salary rates.

County employees are granted vacation in varying amounts based on length of service. Unrecorded vacation pay accruals generally do not exceed the amount earned for one year. The estimated value of unrecorded vacation leave at December 31, 2006 was \$657,564 in the governmental funds and \$141,833 in the highway department internal service fund.

B. Employee Retirement Plan

All eligible Barron County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the general category are required by statute to contribute 5.9% of their salary (2.9% for executives and elected officials, 5.0% for protective occupations with social security, and 3.3% for protective occupations without social security) to the plan. Employers may make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for County employees covered by the WRS for the year ended December 31, 2006 was \$12,576,706; the employer's total payroll was \$13,019,365. The total required contribution for the year ended December 31, 2006 was \$1,428,212, which consisted of \$712,915, or 5.7% of payroll from the employer and \$715,297, or 5.7% of payroll from employees. Total contributions for the years ending December 31, 2005 and 2004 were \$1,368,088 and \$1,302,744, respectively, equal to the required contributions for each year.

The County's pension related debt (the unfunded actuarial accrued liability for prior service costs) was paid in full in January 2003.

BARRON COUNTY, WISCONSIN

NOTES TO BASIC FINANCIAL STATEMENTS Year Ended December 31, 2006

NOTE IV - OTHER INFORMATION (cont'd.)

B. Employee Retirement Plan (cont'd.)

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 year's earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

C. 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. Settled claims have not exceeded this commercial coverage in any of the past three years.

D. 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.

REQUIRED SUPPLEMENTARY INFORMATION

BARRON COUNTY, WISCONSIN

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 8,461,170	\$ 8,461,170	\$ 8,549,110	\$ 87,940
Intergovernmental	3,799,238	3,799,238	3,737,348	(61,890)
Licenses and Permits	248,350	248,350	235,331	(13,019)
Fines and Forfeits	165,450	165,450	165,747	297
Public Charges for Services	1,116,790	1,116,790	1,479,150	362,360
Intergovernmental Charge for Services	100,898	100,898	100,898	-
Miscellaneous:				
Interest	266,113	266,113	901,850	635,737
Rent	69,649	69,649	70,549	900
Other	678,623	678,623	891,698	213,075
Total Revenues	<u>14,906,281</u>	<u>14,906,281</u>	<u>16,131,681</u>	<u>1,225,400</u>
EXPENDITURES:				
General Government	5,657,115	5,657,115	5,010,187	646,928
Public Safety	6,705,951	6,705,951	6,258,748	447,203
Transportation	3,812,987	3,812,987	3,812,987	-
Health and Human Services	295,462	295,462	188,729	106,733
Culture, Recreation and Education	1,925,492	1,925,492	1,125,187	800,305
Conservation and Development	1,191,718	1,191,718	1,040,277	151,441
Total Expenditures	<u>19,588,725</u>	<u>19,588,725</u>	<u>17,436,115</u>	<u>2,152,610</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,682,444)</u>	<u>(4,682,444)</u>	<u>(1,304,434)</u>	<u>3,378,010</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	3,761,602	3,761,602	3,761,602	-
Transfers Out	(150,463)	(150,463)	(150,463)	-
Total Other Financing Sources (Uses)	<u>3,611,139</u>	<u>3,611,139</u>	<u>3,611,139</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,071,305)</u>	<u>(1,071,305)</u>	<u>2,306,705</u>	<u>3,378,010</u>
FUND BALANCE, JANUARY 1	<u>9,801,529</u>	<u>9,801,529</u>	<u>9,801,529</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 8,730,224</u>	<u>\$ 8,730,224</u>	<u>\$ 12,108,234</u>	<u>\$ 3,378,010</u>

BARRON COUNTY, WISCONSIN

BUDGETARY COMPARISON SCHEDULE
HEALTH AND HUMAN SERVICES FUND
Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 4,259,415	\$ 4,259,415	\$ 4,259,415	\$ -
Intergovernmental	12,340,168	12,340,168	12,209,732	(130,436)
Public Charges for Services			20,466	20,466
Miscellaneous			24,559	24,559
Total Revenues	<u>16,599,583</u>	<u>16,599,583</u>	<u>16,514,172</u>	<u>(85,411)</u>
EXPENDITURES:				
Health and Human Services:	<u>16,599,583</u>	<u>16,599,583</u>	<u>17,452,958</u>	<u>853,375</u>
NET CHANGE IN FUND BALANCE	-	-	(938,786)	(938,786)
FUND BALANCE, JANUARY 1	<u>351,953</u>	<u>351,953</u>	<u>351,953</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 351,953</u>	<u>\$ 351,953</u>	<u>\$ (586,833)</u>	<u>\$ (938,786)</u>

BARRON COUNTY, WISCONSIN

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2006**

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 the health 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 department level.

Budget amounts in the financial statements include both 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.

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

SCHEDULE A-1

BARRON COUNTY, WISCONSIN
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2006

	Special Revenue Funds										Econ. Dev. Revolving Loan Fund
	Support Collection Agency	Office on Aging Programs	Aging Disability Resource Center	All Terrain Vehicle Trails	Snowmobile Trails	Jail Assessment Fund	DARE Program	Recycling Project	County Sales Tax		
ASSETS											
Treasurer's Cash and Investments	\$ 132,638	\$ 239,810	\$ 6,110	\$ (40,097)	\$ 7,872	\$ 61,062	\$ 10,591	\$ 279,918	\$ 522,909	\$ 450,943	
Departmental Cash and Investments		6,027				1,601					
Taxes Receivable	99,490	166,813						103,896			
Accounts Receivable	2,949	79,387					1,362	2,261			
Due from Other Governmental Units				42,392	37,129	2,081			103,924		
Loans Receivable	107,280									471,832	
Total Assets	\$ 342,357	\$ 492,037	\$ 6,110	\$ 2,295	\$ 45,001	\$ 64,744	\$ 11,953	\$ 386,075	\$ 626,833	\$ 922,775	
LIABILITIES AND FUND BALANCES											
Liabilities:											
Vouchers Payable	\$ 38,495	\$ 49,089	\$ 6,081	\$ 2,295	\$ 12,163	\$ -	\$ 1,102	\$ 31,597	\$ -	\$ 9,257	
Deferred Revenues	99,490	166,813			11,470			103,896		471,832	
Total Liabilities	137,985	215,902	6,081	2,295	23,633	-	1,102	135,493	-	481,089	
Fund Balances:											
Unreserved:											
Designated for Fund Purposes	204,372	276,135	29	-	21,368	64,744	10,851	250,582	626,833	441,686	
Total Liabilities and Fund Balances	\$ 342,357	\$ 492,037	\$ 6,110	\$ 2,295	\$ 45,001	\$ 64,744	\$ 11,953	\$ 386,075	\$ 626,833	\$ 922,775	

BARRON COUNTY, WISCONSIN
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2006

	Special Revenue Funds (cont'd.)				Capital Projects Funds				Total Nonmajor Governmental Funds	
	Housing Revolving Loan Fund	Dog License Fund	Sanitary System Grant Program	Wildlife Damage Program	Total Special Revenue Funds	2003 Capital Improvements Fund	2004 Capital Improvements Fund	Judicial Center Building Fund		Total Capital Projects Fund
Treasurer's Cash and Investments	\$ 113,048	\$ 17,423	\$ -	\$ (13,754)	\$ 1,788,473	\$ 1,166,347	\$ 1,134,735	\$ 87,953	\$ 2,389,035	\$ 4,177,508
Departmental Cash and Investments					7,628					7,628
Taxes Receivable					370,199		450,000		450,000	820,199
Accounts Receivable		42		30,649	86,001	7,003			7,003	93,004
Due from Other Governmental Units					323,455					323,455
Loans Receivable	624,261				1,096,093					1,096,093
Total Assets	\$ 737,309	\$ 17,465	\$ -	\$ 16,895	\$ 3,671,849	\$ 1,173,350	\$ 1,584,735	\$ 87,953	\$ 2,846,038	\$ 6,517,887

LIABILITIES AND FUND BALANCES

Liabilities:										
Vouchers Payable	\$ 624,261	\$ 16,665	\$ -	\$ 16,895	\$ 183,639	\$ 6,547	\$ 35,715	\$ -	\$ 42,262	\$ 225,901
Deferred Revenues					1,477,762		450,000		450,000	1,927,762
Total Liabilities	624,261	16,665	-	16,895	1,661,401	6,547	485,715	-	492,262	2,153,663
Fund Balances:										
Unreserved:										
Designated for Fund Purposes	113,048	800	-	-	2,010,448	1,166,803	1,099,020	87,953	2,353,776	4,364,224
Total Liabilities and Fund Balances	\$ 737,309	\$ 17,465	\$ -	\$ 16,895	\$ 3,671,849	\$ 1,173,350	\$ 1,584,735	\$ 87,953	\$ 2,846,038	\$ 6,517,887

**BARRON COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2006**

	Special Revenue Funds										Econ. Dev. Revolving Loan Fund
	Support Collection Agency	Office on Aging Programs	Aging Disability Resource Center	All Terrain Vehicle Trails	Snowmobile Trails	Jail Assessment Fund	DARE Program	Recycling Project	County Sales Tax		
REVENUES:											
Taxes	\$ 92,233	\$ 160,541	\$ 237,415	\$ 235,747	\$ 84,346	\$ -	\$ -	\$ 98,781	\$ 3,461,256	\$ -	
Intergovernmental Licenses and Permits	749,668	520,688	237,415	235,747	84,346	-	-	98,781	3,461,256	-	
Fines, Forfeitures and Penalties Public Charges for Services		511,608	20			60,699		102,180			
Miscellaneous:											
Interest		7,542									18,342
Other	14,217	12,739	15,058				8,606	56,206			135,182
Total Revenues	856,118	1,213,118	252,493	235,747	84,346	60,699	8,606	257,167	3,461,256		153,524
EXPENDITURES:											
General Government							3,326				
Public Safety								230,727			
Sanitation											
Health and Human Services	839,338	1,145,152	252,464		84,931						96,520
Culture, Recreation and Education				235,747							
Conservation and Development											
Total Expenditures	839,338	1,145,152	252,464	235,747	84,931	-	3,326	230,727	-		96,520
Excess (Deficiency) of Revenues Over Expenditures	16,780	67,966	29	-	(585)	60,699	5,280	26,440	3,461,256		57,004
OTHER FINANCING SOURCES (USES):											
Transfer from General Fund		(8,131)							(3,739,184)		
Transfer to General Fund						(65,000)					
Transfer to Debt Service Fund						(65,000)					
Total Other Financing Sources (Uses)		(8,131)				(65,000)			(3,739,184)		
NET CHANGE IN FUND BALANCES	16,780	59,835	29	-	(585)	(4,301)	5,280	26,440	(277,928)		57,004
FUND BALANCES, JANUARY 1	187,592	216,300	-	-	21,953	69,045	5,571	224,142	904,761		384,682
FUND BALANCES, DECEMBER 31	\$204,372	\$ 276,135	\$ 29	\$ -	\$21,368	\$64,744	\$10,851	\$250,582	\$ 626,833		\$441,686

**BARRON COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2006**

	Special Revenue Funds (cont'd.)				Capital Projects Funds				Total Nonmajor Governmental Funds
	Housing Revolving Loan Fund	Dog License Fund	Sanitary System Grant Program	Wildlife Damage Program	Total Special Revenue Funds	2003 Capital Improvement Fund	2004 Capital Improvement Fund	Judicial Center Building Fund	
REVENUES:									
Taxes	\$	\$	\$	\$	\$3,714,030	\$	\$	\$	\$
Intergovernmental Licenses and Permits		16,959	44,073	35,752	2,006,470	249,387	435,000	18,435	435,000
Fines, Forfeitures and Penalties					16,959				267,822
Public Charges for Services					60,699				
Miscellaneous:					613,808				
Interest	3,940				29,824	76,315	50,737	4,796	131,848
Other	77,055				319,063				319,063
Total Revenues	80,995	16,959	44,073	35,752	6,760,853	325,702	485,737	23,231	834,670
EXPENDITURES:									
General Government						1,129,872	163,368	5,439	1,293,240
Public Safety					3,326				8,765
Sanitation			44,073		274,800				274,800
Health and Human Services		16,875			2,253,829				2,253,829
Culture, Recreation and Education					320,678				320,678
Conservation and Development	54,626			35,752	186,898				186,898
Total Expenditures	54,626	16,875	44,073	35,752	3,039,531	1,129,872	163,368	5,439	1,298,679
Excess (Deficiency) of Revenues Over Expenditures	26,369	84	-	-	3,721,322	(804,170)	322,369	17,792	(464,009)
OTHER FINANCING SOURCES (USES):									
Transfer from General Fund					(3,739,184)				(3,739,184)
Transfer to General Fund					(8,131)	(14,287)			(14,287)
Transfer to Debt Service Fund					(65,000)			(141,759)	(141,759)
Total Other Financing Sources (Uses)	-	-	-	-	(3,812,315)	(14,287)	-	(141,759)	(3,968,361)
NET CHANGE IN FUND BALANCES	26,369	84	-	-	(90,993)	(818,457)	322,369	(123,967)	(620,055)
FUND BALANCES, JANUARY 1	86,679	716	-	-	2,101,441	1,985,260	776,651	211,920	2,973,831
FUND BALANCES, DECEMBER 31	\$113,048	\$ 800	\$ -	\$ -	\$2,010,448	\$1,166,803	\$1,099,020	\$ 87,953	\$2,353,776

**BARRON COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEETS
December 31, 2006 and 2005**

	<u>12/31/06</u>	<u>12/31/05</u>
ASSETS		
Treasurer's Cash and Investments	\$ 9,507,287	\$ 8,085,354
Departmental Cash	1,195	55,090
Taxes Receivable:		
Current Taxes Receivable	8,067,432	7,645,811
Delinquent Taxes	1,637,621	1,028,401
Tax Deeds Owned by County	27,139	57,997
Accounts Receivable	294,125	148,907
Due from Other Governments	186,623	289,251
Long-term Receivables	109,124	138,752
Advance to Waste-to-Energy Fund	750,000	810,000
Advance to Highway Department	532,205	
Inventories	4,535	7,482
Subsequent Years Budget Items Paid in Advance	6,437	
	<u> </u>	<u> </u>
Total Assets	<u><u>\$21,123,723</u></u>	<u><u>\$18,267,045</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 526,643	\$ 432,433
Due Other Governmental Units	150,607	90,546
Special Deposits	284	
Deferred Revenues:		
Tax Roll Items:		
General Property Taxes	8,067,432	7,645,811
Long-term Receivables	109,124	138,752
Unearned Revenue	161,399	157,974
Total Liabilities	<u>9,015,489</u>	<u>8,465,516</u>
 Fund Balance:		
Reserved for:		
Delinquent Taxes	1,664,760	1,086,398
Advance to Other Fund	1,282,205	810,000
Inventories	4,535	7,482
Subsequent Year's Budget	475,023	150,000
Designated	4,295,762	2,326,299
Undesignated	4,385,949	5,421,350
Total Fund Balance	<u>12,108,234</u>	<u>9,801,529</u>
Total Liabilities and Fund Balance	<u><u>\$21,123,723</u></u>	<u><u>\$18,267,045</u></u>

SCHEDULE B-2

BARRON COUNTY, WISCONSIN
 GENERAL FUND
 STATEMENT OF CHANGES IN FUND BALANCE
 Year Ended December 31, 2006

	Balance (Overdraft) 1/1/06	County Appropri- ations	Other Revenues	Transfers		Total Available	Expenditures	Balance (Overdraft) 12/31/06
				General Fund In	Other Funds In			
Designated Balances:								
Continuing Appropriations:								
Drug Court	\$ -	\$ -	\$ 820	\$ 9,000	\$ -	\$ 9,820	\$ 328	\$ 9,820
Vending Machines	-	-	426	-	-	426	3,725	98
Corporation Counsel - Ordinance Codification	8,800	-	-	-	-	8,800	13,755	5,075
Family Court Counseling	3,263	-	12,790	-	-	16,053	-	2,298
DHSS/SAGE Integration	1,162	-	-	-	-	1,162	-	1,162
Technology Center - Cabling and Software	15,917	-	-	25,000	-	15,917	450	15,467
Technology Center - Video Conferencing	-	-	-	45,000	-	25,000	-	25,000
Courthouse Renovation Fund	-	-	-	-	-	45,000	63,734	45,000
Land Information	54,667	-	67,259	-	-	121,926	300	58,192
Land Information Education Grant	300	-	300	-	-	600	-	300
Public Access Funding	61,162	-	12,809	-	-	73,971	15,222	73,971
Drug Investigation Fund	49,487	-	3,448	-	-	52,935	675	37,713
CEASE Grant	-	-	-	675	-	675	104	-
Emergency Government Donations	104	-	-	-	-	104	-	-
Jail Inmate Canteen	53,183	-	63,702	-	-	116,885	28,432	88,453
Home Care Program	74,128	-	-	-	-	74,128	-	74,128
Aid to Veterans	-	8,495	-	3,500	-	11,995	12,464	(469)
Veterans' Service Officer Grant	7,347	-	1,551	-	-	8,898	-	8,898
Food Pantry	-	1,450	15,753	-	-	15,753	55	1,431
Transportation Coordinator	117,695	-	121,774	-	-	239,469	85,364	154,105
Library Donations	500	-	-	-	-	500	500	-
ATV Trails Donations	26,500	-	-	40,000	-	66,500	26,500	40,000
UW Campus	4,710	-	2,164	-	-	6,874	1,115	5,759
Extension Office Van	225,000	-	-	-	-	225,000	-	225,000
Comm. on Agr. Endowment Fund	10,956	-	9,913	-	-	20,869	3,150	17,719
Comm. on Agr. Endowment Fund - Interest	(1,027)	-	8,423	-	-	7,396	5,839	1,557
Extension-Ag Carryover Funds	767	-	3,419	-	-	4,186	3,433	753
GNRD and Family Living	2,688	-	1,620	-	-	4,308	671	3,637
Pesticide	1,062	-	379	-	-	1,441	1,048	393
Satellite and Printing	9	-	366	-	-	375	302	73
Forestry Tree Planting	2,671	-	1,583	-	-	4,254	1,700	2,554
Wildlife Habitat	18,243	-	859	-	-	19,102	1,260	17,842
DATCP Watershed	-	-	3,200	-	-	3,200	-	3,200
Yellow River Management	-	-	27,235	-	-	27,235	27,235	-
Conservation Payments to Clients	24,000	-	-	-	-	24,000	-	24,000
Red Cedar Lake Project	10,000	-	-	-	-	10,000	-	10,000
Red Cedar Shore Fund	3,327	-	-	-	-	3,327	-	3,327
LCD WI Programs	11,866	-	499	-	-	12,365	408	11,957
Erosion Control Group	12,926	-	-	-	-	12,926	985	11,941
Plat Book Fund for Extension	4,222	-	385	-	-	4,607	-	4,607
Tree Planter	-	-	-	-	-	-	-	-

BARRON COUNTY, WISCONSIN
 GENERAL FUND
 STATEMENT OF CHANGES IN FUND BALANCE
 Year Ended December 31, 2006

	Balance (Overdraft) 1/1/06	County Appropri- ations	Other Revenues	Transfers		Other Funds		Total Available	Expenditures	Balance (Overdraft) 12/31/06
				General Fund In	Out	In	Out			
Designated Balances: (cont'd.)										
Continuing Appropriations: (cont'd.)										
Rural Address Numbering	\$ 7,814	\$	\$ 9,263	\$	\$	\$	\$	\$ 17,077	\$ 6,885	\$ 10,192
West Wisconsin Rail Transit Authority	12,814							12,814		12,814
UW BC Improvements Project	1,000,000							1,000,000		1,000,000
County Reserve Fund	500,000							500,000		500,000
Communications Upgrade	-			400,000				400,000		400,000
Railroad Upgrade	-			120,000				120,000		120,000
Departmental Working Capital Reserves	-			1,267,795				1,267,795		1,267,795
Total Designated Balance	2,326,299	9,945	369,940	1,910,970	-	-	-	4,617,154	321,392	4,295,762
Reserved for:										
Delinquent Taxes	1,086,398			578,362				1,664,760		1,664,760
Advances to Other Funds	810,000			532,205	60,000			1,282,205		1,282,205
Inventories	7,482				2,947			4,535		4,535
Subsequent Year's Budget	150,000			325,023				475,023		475,023
Total Reserved Balance	2,053,880	-	-	1,435,590	62,947	-	-	3,426,523	-	3,426,523
General Fund Undesignated										
	5,421,350	8,058,105	7,693,691	-	3,283,613	3,761,602	150,463	21,500,672	17,114,723	4,385,949
Total General Fund Balance	\$9,801,529	\$8,068,050	\$8,063,631	\$3,346,560	\$3,346,560	\$3,761,602	\$150,463	\$29,544,349	\$17,436,115	\$12,108,234

BARRON COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended December 31, 2006
With Comparative Actual Totals for Year Ended December 31, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Final Budget	Actual		
REVENUES:				
Taxes:				
General Property Taxes	\$ 8,068,050	\$ 8,068,050	\$ -	\$ 7,911,149
Ag Use Value Penalty	500	521	21	4,318
Forest Crop Taxes From Districts	7,500	25,427	17,927	19,758
Retained Sales Tax	120	120	-	120
Real Estate Transfer Fees	115,000	120,556	5,556	123,367
Interest on Taxes	270,000	334,436	64,436	315,835
Total Taxes	<u>8,461,170</u>	<u>8,549,110</u>	<u>87,940</u>	<u>8,374,547</u>
Intergovernmental:				
Federal Drug Forfeitures		1,900	1,900	
Shared Taxes from State	1,632,269	1,631,412	(857)	1,628,628
State Exempt Computer Aid	34,200	34,370	170	19,816
State Aid - Crime Victim/Witness	43,300	38,735	(4,565)	40,270
State Aid - Circuit Court	204,883	207,986	3,103	205,996
State Aid - Teen Court				6,410
State Aid - Sheriff Department	84,030	84,030	-	66,290
State Aid - Police Instruction	12,400	24,622	12,222	12,400
State Aid - Sheriff Department Grant Funding	162,361	82,977	(79,384)	189,771
State Aid - Water/Snowmobile Patrol	12,000	8,546	(3,454)	9,766
State Aid - Emergency Government	196,674	200,486	3,812	62,171
State Aid for Transportation	1,021,707	1,021,707	-	982,408
Other Transportation Aids	1,280	1,280	-	
State Aid - Food Pantry	15,753	15,753	-	17,334
In Lieu of Taxes on DNR Lands	5,000	5,538	538	4,840
Indirect Cost Reimbursement from State	137,729	137,729	-	103,914
Federal and State Repayments Medical				3,163
State Aid - Veterans Service	15,060	16,524	1,464	15,060
State Aid - General Relief	5,000	907	(4,093)	2,730
State Aid - Land Information Board Grant	300	300	-	300
State Aid - Extension				2,250
State Aid - Block Grant Funds				12,000
State Aid - County Forest	33,583	40,837	7,254	31,766
State Aid - DATCP Watershed	30	30	-	
State Aid - Silver Lake Study	29,858	29,858	-	52,520
State Aid - Yellow River Watershed				60
State Aid - Farmer Nutrient Education	7,355	7,355	-	21
State Aid - Lake Desair Watershed				18,640
State Aid - Lake Protection	13,035	13,035	-	7,779
State Aid - Soil and Water Salaries	94,814	94,814	-	85,000
State Aid - Land and Water Plan	27,235	27,235	-	51,865
State Aid - Invasive Species	9,382	9,382	-	
Total Intergovernmental	<u>3,799,238</u>	<u>3,737,348</u>	<u>(61,890)</u>	<u>3,633,168</u>

**BARRON COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended December 31, 2006
With Comparative Actual Totals for Year Ended December 31, 2005**

	2006		Variance Positive (Negative)	2005 Actual
	Final Budget	Actual		
REVENUES: (cont'd.)				
Licenses and Permits:				
Conservation License Fees	\$ 350	\$ 191	\$ (159)	\$ 175
Zoning Fees and Permits	248,000	235,140	(12,860)	239,653
Total Licenses and Permits	<u>248,350</u>	<u>235,331</u>	<u>(13,019)</u>	<u>239,828</u>
Fines and Forfeits:				
County Ordinance Forfeitures	85,000	84,553	(447)	76,749
Sheriff's Drug Asset Forfeitures	5,450	3,448	(2,002)	19,333
Penal Fines for County	75,000	76,746	1,746	77,514
Septage Ordinance Violations		1,000	1,000	
Total Fines and Forfeits	<u>165,450</u>	<u>165,747</u>	<u>297</u>	<u>173,596</u>
Public Charges for Services:				
County Clerk Fees	5,000	5,522	522	4,510
Election Services and Support	11,600	13,249	1,649	
Register of Deeds Fees	196,500	182,435	(14,065)	194,465
Register of Deeds On-Line Access Fees	12,000	15,718	3,718	9,073
Circuit Court Fees and Costs	120,000	187,402	67,402	141,988
Drug Court Fees	820	820	-	
Receipting and Disbursing Fees				230
Guardian Ad Litem Revenue	46,600	76,489	29,889	54,949
Mediation Reimbursement Fees	500	3,988	3,488	2,000
Psych Fees	300	1,109	809	630
Witness Fee Reimbursements		20	20	
Attorneys Fees Revenue	48,500	65,931	17,431	60,789
Register in Probate Fees	16,000	17,594	1,594	19,158
Copy Machine Revenue	22,956	27,710	4,754	27,091
Sheriff Fees	60,000	65,386	5,386	61,484
Other Sheriff Revenues	21,300	11,295	(10,005)	15,965
Huber Law Revenue	120,000	119,163	(837)	122,334
Out of County Prisoner Revenues		297,551	297,551	325,688
Rural Address Numbers Revenue	9,263	9,263	-	8,526
Cremation Fees	6,800	8,000	1,200	7,550
Tax Collection Fees				894
Park Fees	29,000	31,178	2,178	33,295
Forest and Park Contracts	14,000	14,836	836	13,977
County Forest Revenue	155,366	96,692	(58,674)	58,550
NR 135 Land Conservation Open Pits Revenue	3,200	3,200	-	700
Land Conservation Revenue	31	31	-	2,506
LCD Seed Revenue	2,760	2,760	-	1,470
Land Information Revenue	67,259	67,259	-	59,253

**BARRON COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended December 31, 2006
With Comparative Actual Totals for Year Ended December 31, 2005**

	2006		Variance Positive (Negative)	2005 Actual
	Final Budget	Actual		
REVENUES: (cont'd.)				
Public Charges for Services: (cont'd.)				
Public Access Revenue	\$ 12,809	\$ 12,809	\$ -	\$ 13,916
UW Extension	11,592	11,592	-	8,638
4-H Adult Leaders - Plat Book				12,926
Tree Planter Revenue	385	385	-	755
LCD Tree Program Sales	17,668	17,668	-	17,976
Erosion Control Equipment Revenue	499	499	-	849
Extension Office Van Revenue	2,164	2,164	-	3,241
Family Court Counseling Revenue	12,790	12,790	-	11,485
Veterans Revenue		60	60	
Vending Machine Revenue - Domestic Abuse	426	426	-	1,370
Jail Inmate Canteen Revenue	63,702	63,702	-	66,256
Prisoner Electronic Monitoring Revenue	25,000	32,454	7,454	51,613
Total Public Charges for Services	1,116,790	1,479,150	362,360	1,416,100
Intergovernmental Charges for Service:				
Communications Tower Grant Reimbursement	67,327	67,327	-	
Economic Development Corporation Reimbursement	33,571	33,571	-	33,000
Total Intergovernmental Charges for Service	100,898	100,898	-	33,000
Miscellaneous Revenues:				
Interest on Investments	250,000	877,650	627,650	569,106
Interest on Snow Club Loans	3,923	7,003	3,080	4,080
Interest on Clerk of Court Collections	1,000	6,007	5,007	7,005
Interest on DATCP Watershed	797	797	-	494
Interest on Historical Society Loan	480	480	-	720
Interest on Ag Commission Endowment Fund	9,913	9,913	-	6,591
Rent of Country Buildings and Offices	69,649	70,549	900	65,993
Internet Access Fees	500	2,550	2,050	2,500
Treasurer Statement Revenue	2,000	2,672	672	2,606
Sale of County Property		85,708	85,708	3,837
Profit on Tax Deed Sales	4,464	66,123	61,659	1
Tax Deed Fees	8,000	20,715	12,715	8,295
Refund of Prior Year Expenses:				
Northern Pines Funds Distribution		31,500	31,500	56,456
Other		741	741	
Insurance Dividend	25,000	11,435	(13,565)	53,726
Rusk County Drug Unit Donations				2,200
Donation Chetek Chain of Lakes	1,400	2,000	600	6,933

**BARRON COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended December 31, 2006
With Comparative Actual Totals for Year Ended December 31, 2005**

	2006			2005 Actual
	Final Budget	Actual	Variance Positive (Negative)	
REVENUES: (cont'd.)				
Miscellaneous Revenues: (cont'd.)				
Library Donations	\$ 121,774	\$ 121,774	\$ -	\$ 92,344
Interdepartmental Charges for Accounting Services	364,831	364,446	(385)	
Interdepartmental Charges for Computer Center Service	131,654	147,372	15,718	1,724
Snow Club Loan Repayment	15,000	30,628	15,628	15,248
Historical Society Loan Repayment	4,000	4,000	-	4,000
DHHS/GR Repayments Private Non-Medical				4,487
Electronic Auction Revenue				78
Other General		34	34	100
Total Miscellaneous	<u>1,014,385</u>	<u>1,864,097</u>	<u>849,712</u>	<u>908,524</u>
Total Revenues	<u>14,906,281</u>	<u>16,131,681</u>	<u>1,225,400</u>	<u>14,778,763</u>
EXPENDITURES:				
General Government:				
County Board	124,423	100,105	24,318	100,906
Circuit Court	1,025,859	1,004,748	21,111	1,067,905
Drug Court	9,820		9,820 *	
Vending Machines - Domestic Abuse	426	328	98 *	
Restorative Justice	48,000	48,000	-	54,410
Medical Examiner	48,457	48,457	-	45,543
District Attorney	300,742	272,043	28,699	233,233
Corporation Counsel	256,083	247,283	8,800	233,041
Corporation Counsel - Ordinance Codification	8,800	3,725	5,075 *	4,400
Family Court Commissioner	65,350	65,350	-	62,764
Family Court Counseling	16,053	13,755	2,298 *	13,736
Crime Victim/Witness Program	73,632	73,166	466	70,696
Administrator	902,863	901,702	1,161	375,133
DHSS/SAGE Integration	1,162		1,162 *	550
County Clerk	156,410	156,410	-	196,954
Personnel Administration	34,700	19,599	15,101	17,941
Elections	57,374	38,290	19,084	11,546
Technology Center	480,273	404,019	76,254	381,471
Technology Center - Cabling and Software	15,917	450	15,467 *	407
Technology Center - Video Conferencing	25,000		25,000 *	
Copy Room	22,110	22,110	-	15,740
County Telephone System	2,500	2,182	318	1,651
Independent Auditing	36,500	31,883	4,617	32,975
Special Accounting - Indirect Cost Study	6,500	5,865	635	5,865
County Treasurer	219,550	195,630	23,920	213,452
Assessments	3,450	153	3,297	1,700

* Designated Balance at Year End.

**BARRON COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended December 31, 2006
With Comparative Actual Totals for Year Ended December 31, 2005**

	2006		Variance Positive (Negative)	2005 Actual
	Final Budget	Actual		
EXPENDITURES: (cont'd.)				
General Government: (cont'd.)				
Property and Liability Insurance	\$ 101,316	\$ 101,066	\$ 250	\$ 92,503
Miscellaneous Office Supplies	900	86	814	59
Courthouse	471,175	423,824	47,351	342,175
Courthouse Renovation Fund	45,000		45,000	
Justice Center	355,254	281,256	73,998	310,823
County Health Building	21,704	21,136	568	33,012
County Office Complex	47,487	35,186	12,301	37,124
Register of Deeds	214,826	192,516	22,310	199,422
State Land Information	121,926	63,734	58,192 *	51,584
County Land Information	236,211	214,905	21,306	228,754
Land Information Education Grant	600	300	300 *	300
Public Access Funding	73,971		73,971 *	9,460
Tax Deed Expense	18,539	18,539	-	8,769
Uncollectible Taxes	5,000	1,134	3,866	4,406
Additional Expenditures of Prior Years	1,252	1,252	-	21,060
Total General Government	5,657,115	5,010,187	646,928	4,481,470
Public Safety:				
Sheriff Department	626,935	572,056	54,879	415,982
Drug Enforcement Grant	150,000	66,569	83,431	152,921
Traffic Police	1,943,928	1,852,957	90,971	1,711,455
Drug Investigation Fund	52,935	15,222	37,713 *	7,700
Water and Snow Patrol	31,021	25,939	5,082	12,069
Fire suppression	600		600	500
Emergency Government	251,314	242,763	8,551	131,703
Emergency Government Equipment Grant				149,415
Emergency Government Donations	104	104	-	950 *
Terrorism Planning Grant	116,703	116,703	-	
Communications Center	880,863	841,774	39,089	838,811
Law Enforcement Center	2,534,663	2,496,229	38,434	2,421,289
Jail Inmate Canteen	116,885	28,432	88,453 *	40,905
Total Public Safety	6,705,951	6,258,748	447,203	5,883,700
Transportation Facilities:				
CTHS Maintenance and Construction (See Schedule E-2)	3,812,987	3,812,987	-	3,772,408

* Designated Balance at Year End.

**BARRON COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended December 31, 2006

With Comparative Actual Totals for Year Ended December 31, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Final Budget	Actual		
EXPENDITURES: (cont'd.)				
Health and Human Services:				
Home Care	\$ 74,128	\$ -	\$ 74,128 *	\$
General Relief	9,000	144	8,856	2,350
Veteran's Service Office	165,801	151,912	13,889	152,769
Aid to Veterans	11,995	12,464	(469) *	13,273
Veteran's Service Officer Grant	8,898		8,898 *	
Care of Veterans Graves	4,719	4,719	-	3,469
West Cap Community Action	3,500	3,500	-	3,060
Food Pantry	15,753	15,753	- *	17,334
State Charitable and Penal Charges	182	182	-	
Transportation Coordinator Grant	1,486	55	1,431 *	1,434
Total Health and Human Services	<u>295,462</u>	<u>188,729</u>	<u>106,733</u>	<u>193,689</u>
Culture, Recreation and Education:				
Library	610,397	370,928	239,469	327,619
Library Donation Fund	239,469	85,364	154,105 *	131,079
Historical Museum	32,000	32,000	-	21,887
County Parks and Recreation	172,053	171,705	348	191,558
ATV Trails Donation	500	500	- *	
County Fair Association:	52,519	52,519		40,000
UW Branch Campus - Barron County	158,000	88,498	69,502	142,433
UW Branch Campus - Barron County Carryover	66,500	26,500	40,000 *	26,500
Extension Office	283,639	251,188	32,451	275,857
Agricultural Agent	6,160	5,850	310	5,370
Family Living Agent - Home Economist	4,605	3,691	914	3,576
4-H Agent	13,650	16,869	(3,219)	13,510
Extension Van Account	6,874	1,115	5,759 *	3,919
Commission on Agriculture:				
Endowment Fund	225,000		225,000 *	
Endowment Fund Interest	20,869	3,150	17,719 *	1,000
Agriculture	7,396	5,839	1,557 *	9,597
CNRD, Family Living, 4-H	4,186	3,433	753 *	485
Pesticide	4,308	671	3,637 *	962
Satellite and Large Bulletins	1,441	1,048	393 *	24
Plat Book	12,926	985	11,941 *	
Resource/Economic Development	3,000	3,334	(334)	2,169
Total Culture, Recreation and Recreation	<u>1,925,492</u>	<u>1,125,187</u>	<u>800,305</u>	<u>1,197,545</u>

* Designated Balance at Year End.

**BARRON COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended December 31, 2006
With Comparative Actual Totals for Year Ended December 31, 2005**

	2006			2005 Actual
	Final Budget	Actual	Variance Positive (Negative)	
EXPENDITURES: (cont'd.)				
Conservation and Development:				
County Forests	\$ 86,125	\$ 77,098	\$ 9,027	\$ 82,822
Maintenance of Dams	23,906	23,906	-	20,555
Forestry Tree Planting	375	302	73 *	
Wildlife Habitat	4,254	1,700	2,554 *	1,400
DATCP Watershed	19,102	1,260	17,842 *	
Yellow River Management	3,200		3,200 *	1,215
Lake Desair Watershed				18,640
Silver Lake Study		29,858	(29,858)	41,520
Red Cedar Lake Shore Fund	10,000		10,000 *	
Red Cedar Lake Project	24,000		24,000 *	
Conservation Payments to Clients	27,235	27,235	-	51,865
Land Conservation	239,654	207,007	32,647	185,914
LCD WI Programs	3,327		3,327 *	
LCD Erosion Control Equipment	12,365	408	11,957 *	336
Soil Erosion Control Grant				96
Designated Reserve - Soil and Water	128,424	122,509	5,915	112,533
Purple Loosestrife Project	11,882	10,164	1,718	
Nutrient Management Farmer Education	7,355	7,355	-	21
LCD Tree Program	19,304	17,314	1,990	17,273
Tree Planter Expense	4,607		4,607 *	2,027
Chetek Chain Watershed	13,035	13,035	-	7,779
Regional Planning Commission	28,088	28,088	-	27,274
Zoning	390,295	361,214	29,081	357,703
Rural Address Numbering	17,077	6,885	10,192 *	8,311
County Housing Authority	2,000	1,645	355	1,707
Public Transit Authority	12,814		12,814 *	
Economic Development	103,294	103,294	-	103,804
Economic Development Loan - Federal Block Grant				12,000
Total Conservation and Development	<u>1,191,718</u>	<u>1,040,277</u>	<u>151,441</u>	<u>1,054,795</u>
Total Expenditures	<u>19,588,725</u>	<u>17,436,115</u>	<u>2,152,610</u>	<u>16,583,607</u>
Excess of Expenditures Over Revenues	<u>(4,682,444)</u>	<u>(1,304,434)</u>	<u>3,378,010</u>	<u>(1,804,844)</u>

* Designated Balance at Year End.

**BARRON COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended December 31, 2006
With Comparative Actual Totals for Year Ended December 31, 2005**

	<u>2006</u>		Variance Positive (Negative)	<u>2005 Actual</u>
	<u>Final Budget</u>	<u>Actual</u>		
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Special Revenue Fund - Support Collection Agency	\$	\$	\$ -	\$ 24,113
Special Revenue Fund - Sales Tax	3,739,184	3,739,184	-	3,274,990
Special Revenue Fund - Office on Aging	8,131	8,131	-	
Capital Projects Fund	14,287	14,287	-	
Transfers Out:				
Special Revenue Fund - Aging				(7,722)
Debt Service Fund	(150,463)	(150,463)	-	(500,050)
Total Other Financing Sources (Uses)	<u>3,611,139</u>	<u>3,611,139</u>	-	<u>2,791,331</u>
NET CHANGE IN FUND BALANCE	(1,071,305)	2,306,705	3,378,010	986,487
FUND BALANCE, JANUARY 1	<u>9,801,529</u>	<u>9,801,529</u>	-	<u>8,815,042</u>
FUND BALANCE, DECEMBER 31	<u>\$ 8,730,224</u>	<u>\$ 12,108,234</u>	<u>\$ 3,378,010</u>	<u>\$ 9,801,529</u>

BARRON COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED BALANCE SHEET

December 31, 2006
With Comparative Totals For December 31, 2005

	General Obligation Bonds Dated 12/30/02 Justice Center	General Obligation Bonds Dated 12/1/01 Justice Center	General Obligation Bonds Dated 8/8/05 Campus Building	State Trust Fund Loan Dated 5/21/03 Fair Association	Land Contract Dated 6/30/03 Gravel Pit	Dated 10/8/03 Capital Improvements	Vacation and Sick Leave Liability	Totals 12/31/06	12/31/05
ASSETS									
Cash	\$ 314	\$ 4,901	\$ 1	\$ 3	\$	\$ 1	\$2,817,670	\$2,822,890	\$2,831,998
Taxes Receivable	451,960	332,555	488,450		45,016	527,955		1,845,936	1,880,600
Long-term Receivable from Fair Association				142,957				142,957	170,906
Total Assets	\$452,274	\$337,456	\$488,451	\$142,960	\$45,016	\$527,956	\$2,817,670	\$4,811,783	\$4,883,504
LIABILITIES AND FUND BALANCE									
Liabilities:									
Deferred Revenues	\$451,960	\$332,555	\$488,450	\$142,957	\$45,016	\$527,955	\$ -	\$1,988,893	\$2,051,506
Fund Balance: Designated	314	4,901	1	3	-	1	2,817,670	2,822,890	2,831,998
Total Liabilities and Fund Balance	\$452,274	\$337,456	\$488,451	\$142,960	\$45,016	\$527,956	\$2,817,670	\$4,811,783	\$4,883,504

SCHEDULE C-2

**BARRON COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Year Ended December 31, 2006
With Comparative Totals for Year Ended December 31, 2005

	General Obligation Bonds Dated 12/30/02	General Justice Center	General Obligation Bonds Dated 12/1/01	General Obligation Bonds Dated 8/8/05	State Trust Fund Loan Dated 5/21/03	Land Contract Dated 6/30/03	Promissory Note Dated 10/8/03	Vacation and Sick Leave Liability	2006	2005
REVENUES:										
Taxes	\$286,964	\$592,798	\$477,854	\$	\$ 47,373	\$	\$522,984	\$	\$1,927,973	\$1,276,861
Revenue for Debt Retirement				36,494					36,494	36,494
Total Revenues	286,964	592,798	477,854	36,494	47,373		522,984		1,964,467	1,621,646
EXPENDITURES:										
Principal of Debt	75,000	390,000	215,000	27,948	40,300		450,000		1,198,248	1,305,254
Interest on Debt	353,410	414,985	262,853	8,546	7,073		84,230		1,131,097	902,915
Paying Agent Charges	363	363	363	363			363		1,452	725
Total Expenditures	428,773	805,348	478,216	36,494	47,373		534,593		2,330,797	2,208,894
Excess (Deficiency) of Revenues Over Expenditures	(141,809)	(212,550)	(362)	-	-		(11,609)		(366,330)	(895,539)
OTHER FINANCING SOURCES (USES):										
Transfers from General Fund	50	150,000	363				50		150,463	500,050
Transfer from Special Revenue Funds		65,000							65,000	65,000
Transfer from Debt Service Fund										428,281
Transfer to Debt Service Fund	141,759								141,759	(428,281)
Transfer from Capital Projects Fund										404,973
Total Other Financing Sources (Uses)	141,809	215,000	363	-	-		50		357,222	970,023
NET CHANGE IN FUND BALANCES	-	2,450	1	-	-		(11,559)		(9,108)	74,484
FUND BALANCES, JANUARY 1	314	2,451	-	3	-		11,560	2,817,670	2,831,998	2,757,514
FUND BALANCES, DECEMBER 31	\$ 314	\$ 4,901	\$ 1	\$ 3	\$ -	\$ -	\$ 1	\$2,817,670	\$2,822,890	\$2,831,998

**BARRON COUNTY, WISCONSIN
WASTE-TO-ENERGY PLANT ENTERPRISE FUND
BALANCE SHEETS
December 31, 2006 and 2005**

	<u>12/31/06</u>	<u>12/31/05</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 14,629	\$ 87,110
Accounts Receivable	<u>202,140</u>	<u>196,592</u>
Total Current Assets	<u>216,769</u>	<u>283,702</u>
Noncurrent Assets:		
Capital Assets Not Being Depreciated	3,750	3,750
Capital Assets Being Depreciated	7,564,731	7,564,731
Less Accumulated Depreciation	<u>5,784,678</u>	<u>5,431,010</u>
Net Capital Assets	<u>1,783,803</u>	<u>2,137,471</u>
Total Assets	<u>\$ 2,000,572</u>	<u>\$ 2,421,173</u>
LIABILITIES		
Liabilities:		
Current Liabilities:		
Accounts Payable	\$ 214,702	\$ 224,283
Noncurrent Liabilities:		
Advance from the General Fund	<u>750,000</u>	<u>810,000</u>
Total Liabilities	<u>964,702</u>	<u>1,034,283</u>
NET ASSETS		
Invested in Capital Assets	1,783,803	2,137,471
Unrestricted	<u>(747,933)</u>	<u>(750,581)</u>
Total Net Assets	<u>1,035,870</u>	<u>1,386,890</u>
Total Liabilities and Net Assets	<u>\$ 2,000,572</u>	<u>\$ 2,421,173</u>

**BARRON COUNTY, WISCONSIN
WASTE-TO-ENERGY PLANT ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
Years Ended December 31, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
OPERATING REVENUES:		
Tipping Fees:		
Contract Haulers:		
In-County Waste	\$ 984,286	\$ 992,859
Out-of-County Waste	347,088	349,196
Individuals	59,434	68,396
Steam Sales	778,710	694,757
Electricity Sales	419	2,322
Heat Sales	3,000	2,000
Metal Sales	98,027	5,945
Scale Rental	3,000	3,000
Total Operating Revenues	<u>2,273,964</u>	<u>2,118,475</u>
OPERATING EXPENSES:		
(Detailed in Schedule D-4)	<u>2,627,052</u>	<u>2,423,011</u>
OPERATING LOSS	(353,088)	(304,536)
NONOPERATING REVENUES (EXPENSES):		
Interest Income	<u>2,068</u>	<u>1,740</u>
LOSS BEFORE CONTRIBUTIONS	(351,020)	(302,796)
CAPITAL CONTRIBUTIONS:		
Capital Grant - Wisconsin Focus on Energy	<u>-</u>	<u>8,600</u>
CHANGE IN NET ASSETS	(351,020)	(294,196)
NET ASSETS, JANUARY 1	<u>1,386,890</u>	<u>1,681,086</u>
NET ASSETS, DECEMBER 31	<u>\$ 1,035,870</u>	<u>\$ 1,386,890</u>

**BARRON COUNTY, WISCONSIN
WASTE-TO-ENERGY PLANT ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Third Parties	\$ 2,268,417	\$ 2,090,178
Cash Payments for Goods and Services	(1,726,099)	(1,494,104)
Cash Payments for Employee Services	<u>(556,866)</u>	<u>(525,805)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(14,548)</u>	<u>70,269</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Payments for Acquisition of Capital Assets		(528,419)
Advance from County General Fund		450,000
Repayment on Advance from General Fund	(60,000)	(40,000)
Wisconsin Focus on Energy Grant Received		<u>8,600</u>
Net Cash Used for Capital and Related Financing Activities	<u>(60,000)</u>	<u>(109,819)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	<u>2,068</u>	<u>1,740</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(72,480)	(37,810)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>87,109</u>	<u>124,919</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 14,629</u>	<u>\$ 87,109</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Loss	\$ (353,088)	\$ (304,536)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	353,668	349,541
Change in Assets and Liabilities:		
Increase in Accounts Receivable	(5,548)	(28,297)
Increase (Decrease) in Accounts Payable	<u>(9,580)</u>	<u>53,561</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (14,548)</u>	<u>\$ 70,269</u>

**BARRON COUNTY, WISCONSIN
WASTE-TO-ENERGY PLANT ENTERPRISE FUND
SCHEDULES OF OPERATING EXPENSES
Years Ended December 31, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Salaries - Regular	\$ 510,296	\$ 465,770
Salaries - Overtime	46,570	60,035
Committee Expense	4,155	3,734
Social Security and Medicare	41,248	41,375
Retirement	38,416	29,125
Health Insurance	122,515	94,957
Worker's Compensation	42,587	40,779
Employee Education and Training	4,011	29
Unemployment Compensation	2,015	3,688
Penalty Forfeiture	20,000	-
Legal Fees	8,199	1,424
Accounting and Auditing	2,023	1,958
Engineering	31,609	1,500
Inspection Fees	384	21,900
Environmental Fees	14,969	11,490
Water and Sewer	8,602	9,435
Electricity	31,164	17,314
Gas (Heat)	4,450	3,779
Telephone	2,147	2,354
Repair and Maintenance - Equipment	130,844	102,765
Repair and Maintenance - Loaders	13,727	15,473
Repair and Maintenance - Buildings	3,242	7,831
Waste By-Pass	24,669	7,793
Management Fees	164,685	158,732
Ash Disposal	582,730	612,826
Ash Hauling	90,007	104,911
Ash Analysis	1,395	1,273
Fly Ash Disposal	78,104	101,381
Office Supplies	3,404	2,626
Freight Postage	1,067	1,706
Safety Equipment	3,953	4,235
Advertising	979	795
Travel	504	2,050
Uniforms	6,749	7,595
Tools	101	3,722
Repair and Maintenance Supplies	4,475	6,750
Fuel for Loaders	17,320	13,669
Water Treatment	31,610	33,799
Employee Physicals	51	-
Property Insurance	4,210	5,206
Liability Insurance	29,832	26,233
Boiler Insurance	18,422	18,500
Depreciation	353,668	349,541
Extraordinary Repair and Maintenance	119,932	16,767
Miscellaneous	6,013	6,186
	<u>\$ 2,627,052</u>	<u>\$ 2,423,011</u>

BARRON COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
BALANCE SHEETS
December 31, 2006 and 2005

	<u>12/31/06</u>	<u>12/31/05</u>
ASSETS		
Current Assets:		
Treasurer's Cash:		
Operations	\$	\$ (238,736)
Gravel Pit Closure	118,230	193,945
Petty Cash	200	200
Accounts Receivable	287,506	388,122
Due from Other Governmental Units	931,535	1,245,368
Inventories	603,177	453,080
Total Current Assets	<u>1,940,648</u>	<u>2,041,979</u>
Noncurrent Assets:		
Capital Assets Not Being Depreciated	347,278	29,512
Capital Assets Being Depreciated	13,214,840	12,789,009
Less Accumulated Depreciation	<u>(5,212,192)</u>	<u>(5,150,229)</u>
Net Capital Assets	8,349,926	7,668,292
Other Deferred Debits	147,926	193,917
Total Noncurrent Assets	<u>8,497,852</u>	<u>7,862,209</u>
Total Assets	<u>\$ 10,438,500</u>	<u>\$ 9,904,188</u>
LIABILITIES		
Current Liabilities:		
Vouchers and Accounts Payable	\$ 377,115	\$ 181,241
Deferred Revenues:		
Small Field Tools	126,163	132,315
Advance from General Fund	532,205	
Current Portion of Long-term Liabilities:		
Land Contract Payable		40,300
Accrued Employee Leave	141,833	165,990
Total Current Liabilities	<u>1,177,316</u>	<u>519,846</u>
Long-term Liabilities (Less Current Portion):		
Land Contract Payable		80,600
Accrued Employee Leave	336,038	305,159
Total Long-term Liabilities	<u>336,038</u>	<u>385,759</u>
Total Liabilities	<u>1,513,354</u>	<u>905,605</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	8,349,926	7,547,392
Unrestricted	575,220	1,451,191
Total Net Assets	<u>8,925,146</u>	<u>8,998,583</u>
Total Liabilities and Net Assets	<u>\$ 10,438,500</u>	<u>\$ 9,904,188</u>

BARRON COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
DETAILED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
OPERATING REVENUES:		
Charges For Services:		
County Highway Maintenance and Construction [1]	\$ 3,812,987	\$ 3,772,408
State Highway Maintenance and Construction	1,107,939	1,100,751
Local Districts	2,296,436	2,257,710
Other Governmental Units	978,378	941,288
County Aid Bridges	146,379	78,160
Non-governmental Customers		5,309
Miscellaneous:		
Other Revenue from State:		
Records, Reports, Supervision and Equipment Storage	171,250	164,090
Miscellaneous Highway Revenues		
Total Operating Revenues	<u>8,513,369</u>	<u>8,319,716</u>
OPERATING EXPENSES:		
Administration and General:		
Administration	321,080	292,221
Patrol Superintendent	135,630	105,101
Radio Expense	6,861	3,888
Public Liability Insurance	20,831	22,554
Transportation Cost Pools:		
Machinery Operations	155,309	(42,999)
Gravel Pits and Quarries	121,476	(297,541)
Bituminous Operations	(24,200)	(270,986)
Services Provided:		
County:		
General Maintenance	1,585,669	2,230,278
Reconstruction and Betterments	1,657,718	1,417,965
Federal Aid - Secondary	8,928	5,416
State:		
Highway Maintenance and Construction	1,102,909	1,100,751
Equipment and Salt Storage Costs	32,431	34,998
County Aid Bridge Construction - Districts	285,951	259,799
Local Districts	2,296,436	2,257,710
Other Governmental Units	978,378	941,288
Non-governmental Customers		5,309
Other:		
Net Change in Accrued Employee Leave Liability	6,722	(16,944)
Amortization of State Contributions Included Above	15,577	12,872
Total Operating Expenses	<u>8,707,706</u>	<u>8,061,680</u>
OPERATING INCOME (LOSS)	<u>(194,337)</u>	<u>258,036</u>

**BARRON COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
DETAILED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended December 31, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
CONTRIBUTIONS:		
Contributions from State	\$	\$ 28,825
Land Contract Assumed by General Fund	<u>120,900</u>	<u>28,825</u>
Total Contributions	<u>120,900</u>	<u>28,825</u>
CHANGE IN NET ASSETS	(73,437)	286,861
NET ASSETS, JANUARY 1	<u>8,998,583</u>	<u>8,711,722</u>
NET ASSETS, DECEMBER 31	<u>\$ 8,925,146</u>	<u>\$ 8,998,583</u>
[1] Charges to the General Fund for Highway Maintenance and Construction Consist of the Following:		
County Appropriations and Transfers	\$ 2,790,000	\$ 2,790,000
State Transportation Aids	1,021,707	982,408
Other Federal and State Aids	<u>1,280</u>	<u>982,408</u>
	<u>\$ 3,812,987</u>	<u>\$ 3,772,408</u>

**BARRON COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received for Goods and Services:		
County	\$ 3,812,987	\$ 3,772,408
Third Parties	4,987,555	3,904,608
Cash Payments for Goods and Services	(4,174,697)	(5,209,456)
Cash Payments for Employee Services	<u>(3,444,726)</u>	<u>(2,339,781)</u>
Net Cash Provided by Operating Activities	<u>1,181,119</u>	<u>127,779</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advance from General Fund for Working Capital Purposes	<u>532,005</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received for Sale of Capital Assets	16,700	
Cash Received from State for Contributed Capital		28,825
Cash Payment for Principal on Land Contract		(40,300)
Cash Payments for Building Improvements	(24,109)	(35,625)
Cash Payments for Acquisition of Machinery and Equipment	(1,225,249)	(1,399,937)
Cash Payments for Construction Work in Progress	<u>(317,645)</u>	<u>(121)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(1,550,303)</u>	<u>(1,447,158)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	162,821	(1,319,379)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>(44,591)</u>	<u>1,274,788</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 118,230</u>	<u>\$ (44,591)</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (194,337)	\$ 258,036
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	868,669	819,603
Amortization of Deferred Prior Service Retirement Costs	64,638	64,639
Change in Assets and Liabilities:		
Increase in Accounts Receivable	91,198	(340,976)
Decrease (Increase) in Due From Other Governments	313,833	(539,172)
Increase in Materials and Supplies Inventory	(150,096)	(95,067)
Increase in Other Deferred Charges	(9,228)	
Increase (Decrease) in Accounts Payable	195,872	(17,102)
Decrease in Deferred Cost Pool Revenues	(6,152)	(5,238)
Increase (Decrease) in Accrued Employee Leave	<u>6,722</u>	<u>(16,944)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,181,119</u>	<u>\$ 127,779</u>

SCHEDULE F-1

BARRON COUNTY, WISCONSIN
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 December 31, 2006

	Tax Agency	Payroll Withholdings	Treasurer	Clerk of Court	Unclaimed Trust Funds	Timber Sale Performance Bonds	District Attorney	Sheriff	Register of Deeds	Representative Payee Trust	Totals
ASSETS											
Treasurer's Cash and Investments	\$	\$ 721,155	\$ 44,781	\$	\$ 14,648	\$ 62,197	\$	\$	\$	\$ 56,828	\$ 899,609
Departmental Cash and Investments				204,303				25,954			230,257
Taxes Receivable:											
Current Apportionment	645,840	2,267									645,840
Accounts Receivable			320								2,267
Due from State			55,964								320
Due from Agency Funds											55,964
Total Assets	\$ 645,840	\$ 723,422	\$ 101,065	\$ 204,303	\$ 14,648	\$ 62,197	\$ -	\$ 25,954	\$ -	\$ 56,828	\$ 1,834,257
LIABILITIES											
Accounts Payable	\$	\$ 358,774	\$ 59,644	\$ 43,221	\$	\$	\$	\$	\$	\$	\$ 461,639
Due Other Governmental Units:											
Federal		143,807									143,807
State	645,840	220,841	41,421	238							908,340
Districts				13							13
Special Deposits				112,124	14,648	62,197		18,697		56,828	264,494
Due Agency Fund				48,707				7,257			55,964
Total Liabilities	\$ 645,840	\$ 723,422	\$ 101,065	\$ 204,303	\$ 14,648	\$ 62,197	\$ -	\$ 25,954	\$ -	\$ 56,828	\$ 1,834,257

Departmental Assets Reflected in Governmental Funds:
 Departmental Cash

RECONCILIATION SCHEDULE

SCHEDULE G-1

BARRON COUNTY, WISCONSIN
 DETAILED RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
 Year Ended December 31, 2006

REVENUES/OTHER SOURCES:

	Total Governmental Funds	Capital Assets	Long-term Deferred Revenues	Long-term Debt	Other Long-term Obligations	Internal Service Fund	Interfund Transactions	Statement of Activities
Revenues:								
Taxes	\$ 18,885,528	\$	\$	\$	\$	\$	\$	\$ 18,885,528
Intergovernmental	18,221,372				(1,921)			18,219,451
Licenses and Permits	252,290							252,290
Fines and Forfeits	226,446							226,446
Public Charges for Services	2,113,424					4,700,382		2,113,424
Intergovernmental Charges for Services	100,898							4,801,280
Miscellaneous:								
Interest	1,196,459							1,196,459
Rent	70,549							70,549
Other	1,271,814		(241,547)			120,900	(120,900)	1,030,267
Other Sources:								
Transfers In	4,118,824						(4,118,824)	-
Total Revenues/Other Sources	46,457,604	-	(241,547)	-	(1,921)	4,821,282	(4,239,724)	46,795,694

EXPENDITURES/EXPENSES/OTHER USES:

	Total Governmental Funds	Capital Assets	Long-term Deferred Revenues	Long-term Debt	Other Long-term Obligations	Internal Service Fund	Interfund Transactions	Statement of Activities
Expenditures/Expenses:								
General Government	6,303,427	58,398			96,582			6,458,407
Public Safety	6,267,513	270,853			46,093			6,584,459
Transportation	3,812,987	(2,710,844)			120,900	4,894,719	(120,900)	5,996,862
Sanitation	274,800	16,743						291,543
Health and Human Services	19,895,516	27,306			(5,047)			19,917,775
Culture, Recreation and Education	5,912,954	(4,435,964)			(1,544)			1,465,446
Conservation and Development	1,227,175	49,286	(142,099)		10,937			1,145,299
Debt Service:								
Principal Retirement	1,198,249			(1,157,949)				-
Interest and Fiscal Charges	1,132,548			(15,366)				1,117,182
Other Uses:								
Transfers Out	4,118,824						(4,118,824)	-
Total Expenditures/Expenses/Other Uses	50,143,993	(6,724,222)	(142,099)	(1,173,315)	217,621	4,894,719	(4,239,724)	42,976,973
NET CHANGE FOR YEAR	\$ (3,686,389)	\$ 6,724,222	\$ (99,448)	\$ 1,173,315	\$ (219,542)	\$ (73,437)	\$ -	\$ 3,818,721

