

**POLK COUNTY, WISCONSIN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2010**

**POLK COUNTY, WISCONSIN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2010**

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

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## **INTRODUCTORY SECTION**

**Barb Leach**  
*Payroll Specialist*

**Sue Reed**  
*Payroll & Benefits  
Data Specialist*

**Dana Frey**  
County Administrator

**Polk County**  
**Department of Administration**

100 Polk County Plaza, Suite 220  
Balsam Lake, WI 54810  
Tel - (715) 485-9212 Fax - (715) 485-9119

**Maggie Wickre**  
Finance Manager

**Jamie Carlson**  
*Staff Accountant*

**Tammy Peterson**  
*Accounts Payable*

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June 27, 2011

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

Honorable Chair Johnson and Supervisors:

The Comprehensive Annual Financial Report (CAFR) for Polk County, Wisconsin (the County) is hereby submitted for the fiscal year ended December 31, 2010 as prepared by the County's Department of Administration. We have prepared this report in conformity with Generally Accepted Accounting Principles (GAAP), and adopting Governmental Accounting Standards Board Statement 34 (GASB34).

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

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

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

## **Polk County Government**

Polk County was incorporated in 1858 and operates with a County Board/Administrator form of government under Wisconsin statutes. There are 23 members of the Board of Supervisors, elected to two year terms beginning in April, 2010. The County is located in northwestern Wisconsin, and provides a full range of services that include health and human services; tax assessment and collection; judicial, law enforcement and jail services; the construction and maintenance of highways and infrastructure; recreational facilities; cultural events; and general administrative services.

In 2010, the County hired its first county administrator and at the same time began a major program of strengthening fiscal controls enabled by that form of government. All funds were thoroughly evaluated using the new standards of GASB 54 and, as a consequence, many previously assigned funds were transferred to unassigned fund balance. In addition, a concentrated review of current expenditures and vacant positions was undertaken with a realization of substantial savings. All together, this has greatly contributed to a dramatic improvement in the County's unassigned fund balance and substantially improved fiscal position and outlook.

### **Economic Condition and Outlook**

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

The County continues to be one of the faster growing counties in Wisconsin, although that growth rate has recently slowed. The County's population increased by seven percent over the past decade, according to the 2010 Federal census, a full percentage point above the state average, to 44,205 in April, 2010. Most of that increase is due to net in-migration although the County did experience some natural population growth. The population is also aging, with 16.0 percent of the population over age 65, up from 15.1 percent a decade ago.

Unemployment has recovered from the depths of the past recession, with the unemployment rate falling from 10.9 percent at the end of 2009 to 7.9 at the end of 2010. Improved retail activity is also evident in the recovery of sales tax collections. Under Wisconsin law, counties may levy a one-half cent local sales tax on the same base as the state sales tax. In 2010, Polk County collected \$2,353,826 in sales taxes, an 8.1% increase over 2009 and just below the previous peak reached in 2007.

Despite ongoing turmoil in the residential real estate market, Polk County's tax base remains strong. Overall, the total equalized property value fell from \$4,733,746,500 in 2009 to \$4,432,825,200 in 2010 according to the Wisconsin Department of Revenue, but the County remains in the top one-third of all Wisconsin counties in per capita equalized value and the County's tax rate remains moderate, 42<sup>nd</sup> highest among the 72 Wisconsin counties. Net new construction from 2009 to 2010 is estimated to be \$23,771,600.

The pending loss of a major employer, Polaris Industries, has resulted in a rapid response by the Village of Osceola, the County, the state, and the community to replace potential lost jobs. This effort has been very successful to date, with new or expanding businesses replacing or promising to replace many of the lost jobs. Other significant developments are an expansion of a long-term care facility in the Village of Luck, a new retail center built in the Village of Frederic, and other smaller developments around the County.

### **Other Operational Highlights**

In addition to the increased financial controls mentioned above, other County departments also reached operational goals in 2010.

- ◆ The IT Department designed a plan to protect the County's physical server environment by creating a virtual server farm on the storage area network (SAN) system. This protects against a major disaster by duplicating our servers and their functionality as well as allowing for lower cost computing through the replacement of desktop PCs with a simple communications module.
- ◆ The Polk County Lime Quarry sold a total of 61,490 tons of lime products in 2010 to farmers, contractors and the general public.
- ◆ The Child Support Agency developed the community outreach program "There Goes My Life" that provides awareness among Polk County high school students of the economic realities of raising a child as a single parent and the legal and administrative processes of the child support program.
- ◆ The Nutrition and Physical Activity Coalition received an ACHIEVE grant giving Polk County the distinction of being the first Wisconsin community selected. This three year grant aims to further environmental and policy assessment using CDC's CHANGE tool, as well as implementation of the Community Health Improvement Plan.
- ◆ The County added another 14 miles to its extensive recreational trail network with the dedication of the new Stower Seven Lakes Trail running from Amery to just outside of Dresser.
- ◆ The County expanded its efforts in energy conservation in 2010, receiving a grant for planning renewable energy and energy efficiency initiatives (Twenty-five by twenty-five) which sets a path to reduce energy costs and increase the use of renewable energy over the next fifteen years.

### **Other Financial Information**

#### **Single Audit**

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

As part of the County's Single Audit, described on page one, tests are made to determine the adequacy of the internal controls surrounding the federal financial assistance programs. For the fiscal year ended December 31, 2010, our auditors found two instances of material weaknesses in the internal controls and one instance of a significant violations of applicable laws and regulations pertaining to the Single Audit.

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

### **Internal Controls**

The County's system of internal controls is supported by written policies and procedures and is continually reviewed, evaluated, and modified to meet current needs.

The Finance Committee consists of four County Supervisors and the Chair of the County Board. The Finance Committee reviews the annual audit report with the external auditors. The internal auditor, other County personnel, and representatives from our auditors meet periodically with the Finance Committee to discuss audit concerns.

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

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

### **Budgeting Controls**

Budgetary control is maintained at the fund level, and it is subject to periodic review by the County's administrator, finance manager and Finance Committee. Open encumbrances are reported as reservations of fund balance at December 31, 2010. In addition, the County maintains budgetary controls at fund and department levels, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body. Activities of the General, Special Revenue, Debt Service, and Capital Projects Funds are included in the annual appropriated budget. The County maintains an encumbrance tracking system to help in budgetary control. Encumbered amounts lapse at a year-end. However, encumbrances generally are re-appropriated as part of the following year's budget.

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

## **Independent Audit**

Wisconsin State Statutes require an audit to be made of the financial statements of the County by an independent auditor team. In addition to meeting the requirements in the state statutes, the audit must also meet the requirements of the federal Single Audit Act of 1984 and the Single Audit Amendment of 1996 and related OMB Circular A-133. These requirements have been complied with, and the Auditor's opinion has been included in this report. The Auditor will also issue a management and compliance letter covering the testing of the County's system of internal controls and compliance with applicable legal provisions. The management and compliance letter will not modify or affect this report on the financial statements.

## **Awards**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County for the year ended December 31, 2009. This is the second year the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

## **Invitation and Acknowledgments**

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Dana Frey', with a stylized flourish at the end.

Dana Frey  
Polk County Administrator

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Polk County  
Wisconsin

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

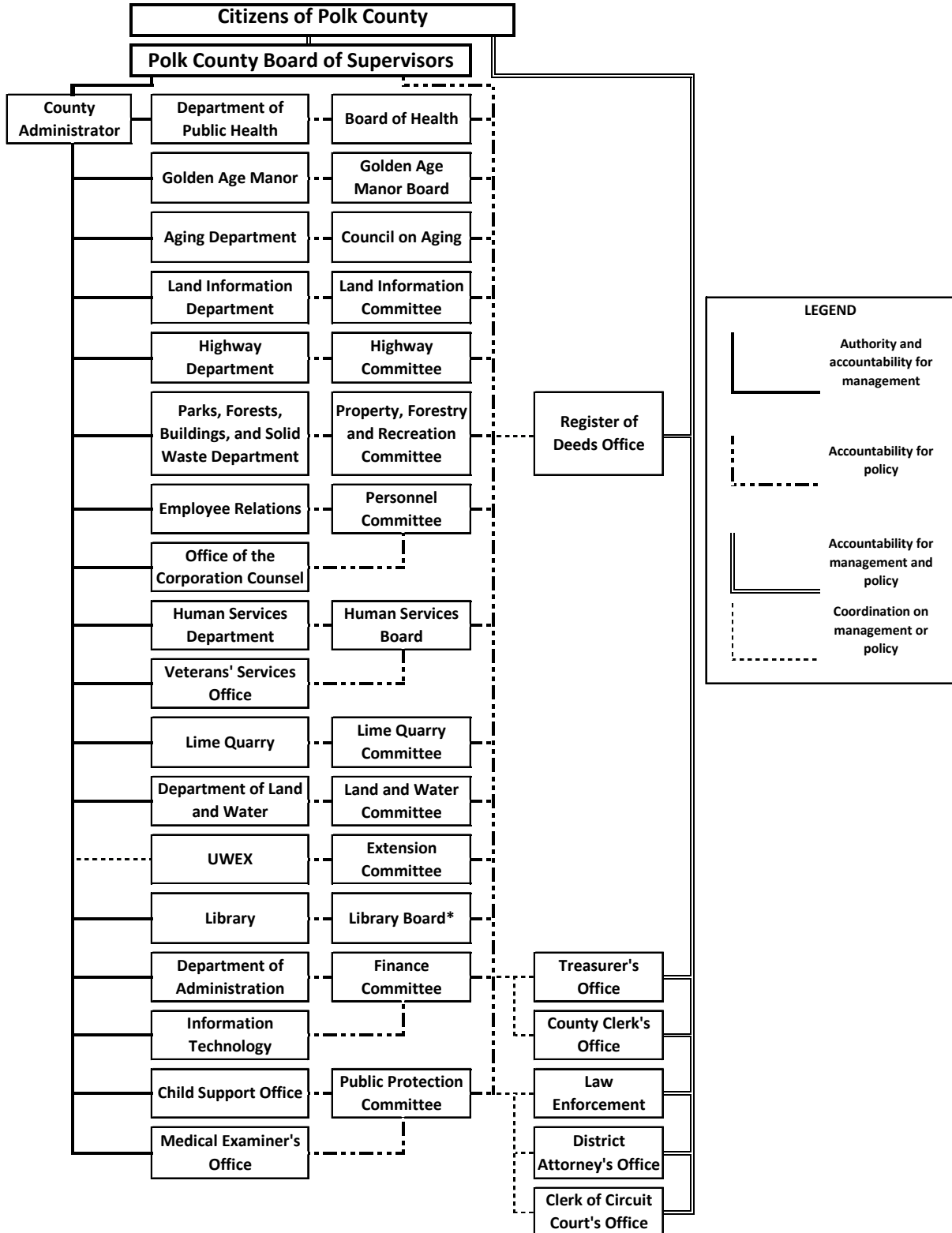
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**POLK COUNTY, WISCONSIN  
ORGANIZATIONAL CHART  
DECEMBER 31, 2010**



\* Not considered a standing committee

**POLK COUNTY, WISCONSIN  
LIST OF PRINCIPALS  
DECEMBER 31, 2010**

<b>Office</b>	<b>Name</b>	<b>Term Expires</b>
<b>Supervisors:</b>		
1st District	Harry Johansen	April 2012
2nd District	William F. Johnson IV	April 2012
3rd District	Dean K. Johanson	April 2012
4th District	Patricia Schmidt	April 2012
5th District	Hershel Brown	April 2012
6th District	Kathryn Kleinholz	April 2012
7th District	Marvin Caspersen	April 2012
8th District	Wendy Olney-Rattel	April 2012
9th District	James Edgell	April 2012
10th District	Brian R. Masters	April 2012
11th District	Ken Sample	April 2012
12th District	Craig Moriak	April 2012
13th District	Russell Arcand	April 2012
14th District	Warren Nelson	April 2012
15th District	Jay Luke	April 2012
16th District	Diane Stoneking	April 2012
17th District	Kristine Kremer-Hartung	April 2012
18th District	Larry Jepsen	April 2012
19th District	Kim O'Connell	April 2012
20th District	Gary Bergstrom	April 2012
21st District	Neil L. Johnson	April 2012
22nd District	Larry Voelker	April 2012
23rd District	Gerianne Christensen	April 2012

**Officers:**

**Elected:**

Circuit Judge, Branch 1	Molly E. GaleWyrick	July 2014
Circuit Judge, Branch 2	Jeff Anderson	July 2017
Clerk of Circuit Court	Lois Hoff	December 2014
County Clerk	Carole Wondra	December 2012
County Treasurer	Amanda Nissen	December 2012
District Attorney	Daniel P. Steffen	December 2012
Register of Deeds	Laurie Anderson	December 2012
Sheriff	Peter Johnson	December 2014

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

County Board of Supervisors  
Polk 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 Polk County, Wisconsin (the County) as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Polk County, Wisconsin as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the notes to the basic financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2010. Adoption of the provisions of this statement results in significant changes to the classifications of the components of fund balances.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2011 on our consideration of Polk County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, schedule of funding progress – other postemployment health care benefits, and budgetary comparison information as listed in the table of contents 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 required 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 introductory section, other supplementary information section, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary 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 introductory section and statistical section have not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*LarsonAllen LLP*  
**LarsonAllen LLP**

Eau Claire, Wisconsin  
June 27, 2011

## **REQUIRED SUPPLEMENTARY INFORMATION**

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

As management of Polk County, Wisconsin (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Polk County for the year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on [page 23](#) following this narrative.

**FINANCIAL HIGHLIGHTS**

- The assets of Polk County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$68,697,223 (net assets). Of this amount, \$51,858,738 represented the County's investment in capital assets, net of related debt, \$4,343,713 was held for restricted purposes, and \$12,494,772 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 \$3,706,973. Net assets related to the governmental activities of the County increased \$4,093,654. The increase in net assets related to governmental activities is primarily the result of an increase in property taxes and investment in capital assets.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$14,066,781, an increase of \$814,260 from the previous year. The primary component of the increase was due to budget savings in the General Fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,637,151 or 29.4% of total general fund expenditures.
- Golden Age Manor Nursing Home finished 2010 with a decrease in net assets of \$330,322 prior to any transfers to the General Fund.
- The Lime Quarry finished 2010 with net assets decreasing \$79,907. This is primarily due to operations not covering all expenses and budgeted transfers during 2010.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

The statement of net assets presents information on all of Polk 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.

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).

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

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

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

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

The government-wide financial statements can be found beginning on [page 23](#) of this report.

**Fund Financial Statements**

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

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

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

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

The fund level financial statements can be found beginning on [page 25](#) of this report.

**Proprietary Funds** – Polk County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its nursing home and its lime quarry operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Polk County uses internal service funds to account for its highway department operations and self-funded health insurance program.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

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

**Fund Financial Statements (Continued)**

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the nursing home and the lime quarry operations, both considered major funds. Conversely, the two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found beginning on [page 29](#) of this report.

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

The basic fiduciary fund financial statement can be found on [page 34](#) 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 35](#) of this report.

**Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the general fund and major special revenue fund budgets. Required supplementary information can be found beginning on [page 64](#) 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 the nonmajor governmental funds and internal service funds, and individual fund statements for selected funds. This other supplementary information section begins on [page 69](#).

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

**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 Polk County, assets exceeded liabilities by \$70,761,049 at the close of the most recent fiscal year. The largest portion of Polk County's net assets (77%) 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, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$43,755,328	\$43,406,497	\$ 1,914,906	\$ 1,851,638	\$45,670,234	\$45,258,135
Capital Assets	81,098,879	79,038,855	2,659,956	2,704,545	83,758,835	81,743,400
Internal Balances	1,003,753	1,081,942	(1,003,753)	(1,081,942)	-	-
Total Assets	<u>125,857,960</u>	<u>123,527,294</u>	<u>3,571,109</u>	<u>3,474,241</u>	<u>129,429,069</u>	<u>127,001,535</u>
Noncurrent Liabilities Outstanding	28,184,508	30,538,691	236,661	165,459	28,421,169	30,704,150
Other Liabilities	28,976,229	28,385,034	1,287,828	858,275	30,264,057	29,243,309
Total Liabilities	<u>57,160,737</u>	<u>58,923,725</u>	<u>1,524,489</u>	<u>1,023,734</u>	<u>58,685,226</u>	<u>59,947,459</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	51,858,738	48,488,858	2,577,897	2,613,636	54,436,635	51,102,494
Restricted	4,343,713	5,505,652	9,416	8,363	4,353,129	5,514,015
Unrestricted	12,494,772	10,609,059	(523,487)	(171,492)	11,971,285	10,437,567
Total Net Assets	<u>\$68,697,223</u>	<u>\$64,603,569</u>	<u>\$ 2,063,826</u>	<u>\$ 2,450,507</u>	<u>\$70,761,049</u>	<u>\$67,054,076</u>

An additional portion of Polk County's net assets (6%) represents resources that are subject to other restrictions on how they may be used. The remaining \$11,971,285 of total net assets (17%) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2010, Polk County is able to report positive balances in all three categories of net assets, for the government as a whole and for the governmental activities. The business-type activities report negative unrestricted net assets.

The condensed statement of changes in net assets shown on the following page shows that the County's total net assets increased by \$3,706,973 during the current fiscal year. The increase consisted of an increase in net assets related to governmental activities in the amount of \$4,093,654 and a decrease in net assets related to business-type activities in the amount of \$386,681. The increase in net assets related to governmental activities is primarily the result of an increase in property taxes and investment in capital assets.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

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

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

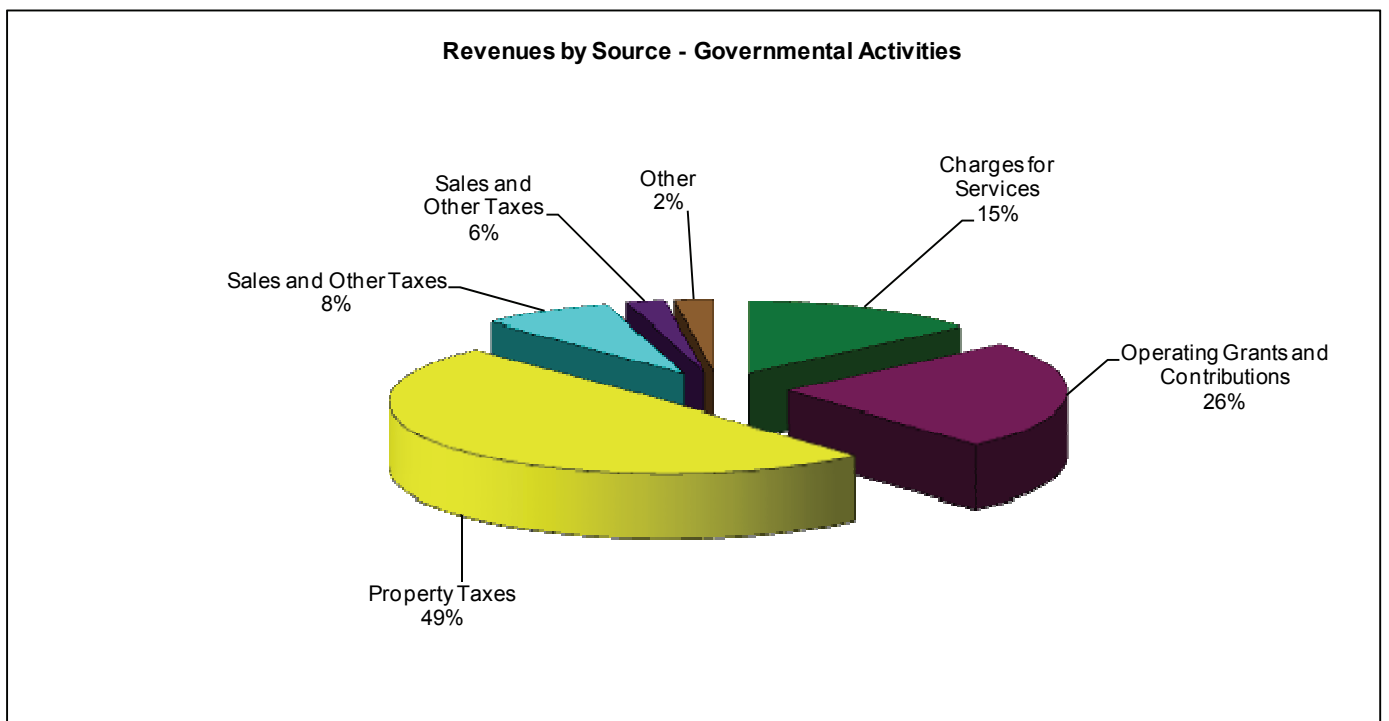
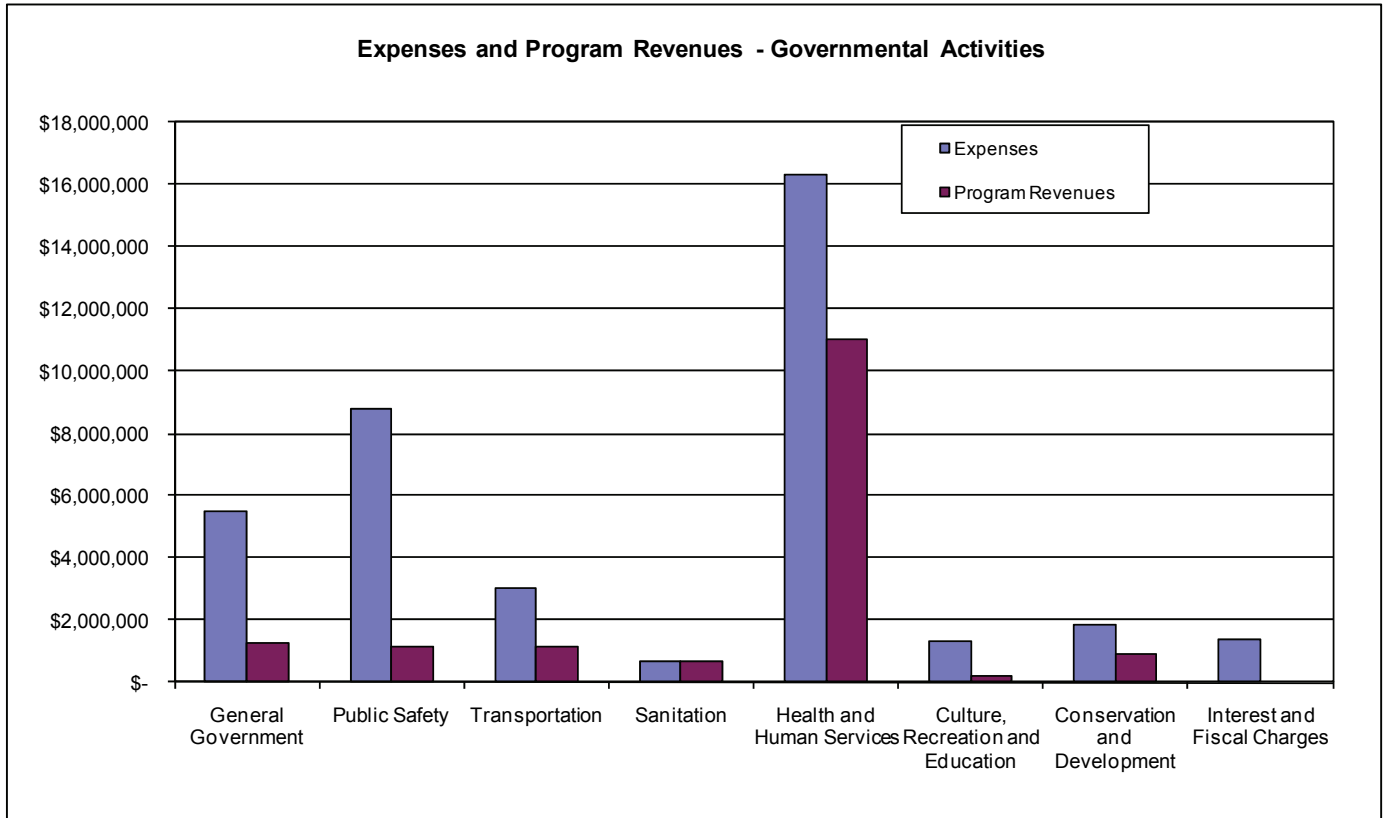
**Condensed Statement of Changes in Net Assets  
Years Ended December 31, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,871,215	\$ 6,067,868	\$ 7,180,482	\$ 7,104,927	\$13,051,697	\$13,172,795
Operating Grants and Contributions	10,520,776	10,260,541	782,927	682,594	11,303,703	10,943,135
Capital Grants and Contributions	-	206,698	123,548	121,782	123,548	328,480
General Revenues:						
Property Taxes	21,171,147	20,149,085	-	-	21,171,147	20,149,085
Other Taxes	3,271,556	2,814,251	-	-	3,271,556	2,814,251
State and Federal Aids not Restricted to Specific Programs	926,775	1,006,885	-	-	926,775	1,006,885
Unrestricted Investment Earnings	184,439	446,870	112	56	184,551	446,926
Other	802,493	879,602	22,428	90,328	824,921	969,930
Total Revenues	<u>42,748,401</u>	<u>41,831,800</u>	<u>8,109,497</u>	<u>7,999,687</u>	<u>50,857,898</u>	<u>49,831,487</u>
Expenses:						
General Government	5,507,320	5,733,530	-	-	5,507,320	5,733,530
Public Safety	8,780,818	8,631,257	-	-	8,780,818	8,631,257
Transportation	3,019,534	3,798,081	-	-	3,019,534	3,798,081
Sanitation	666,128	549,887	-	-	666,128	549,887
Health and Human Services	16,319,148	16,876,948	-	-	16,319,148	16,876,948
Culture, Recreation and Education	1,334,688	1,254,068	-	-	1,334,688	1,254,068
Conservation and Development	1,857,848	2,468,742	-	-	1,857,848	2,468,742
Interest and Fiscal Charges	1,369,263	1,456,759	-	-	1,369,263	1,456,759
Nursing Home	-	-	7,849,407	7,284,381	7,849,407	7,284,381
Lime Quarry	-	-	446,771	422,303	446,771	422,303
Total Expenses	<u>38,854,747</u>	<u>40,769,272</u>	<u>8,296,178</u>	<u>7,706,684</u>	<u>47,150,925</u>	<u>48,475,956</u>
Change in Net Assets Before Transfers	3,893,654	1,062,528	(186,681)	293,003	3,706,973	1,355,531
Transfers	200,000	800,000	(200,000)	(800,000)	-	-
Change in Net Assets	4,093,654	1,862,528	(386,681)	(506,997)	3,706,973	1,355,531
Net Assets - Beginning of Year	64,603,569	62,741,041	2,450,507	2,957,504	67,054,076	65,698,545
Net Assets - End of Year	<u>\$68,697,223</u>	<u>\$64,603,569</u>	<u>\$ 2,063,826</u>	<u>\$ 2,450,507</u>	<u>\$70,761,049</u>	<u>\$67,054,076</u>

A review of the statement of activities can provide a concise picture of how the various functions/programs of Polk County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main sources for funding governmental services are property taxes (49%) and operating grants/contributions (26%).

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

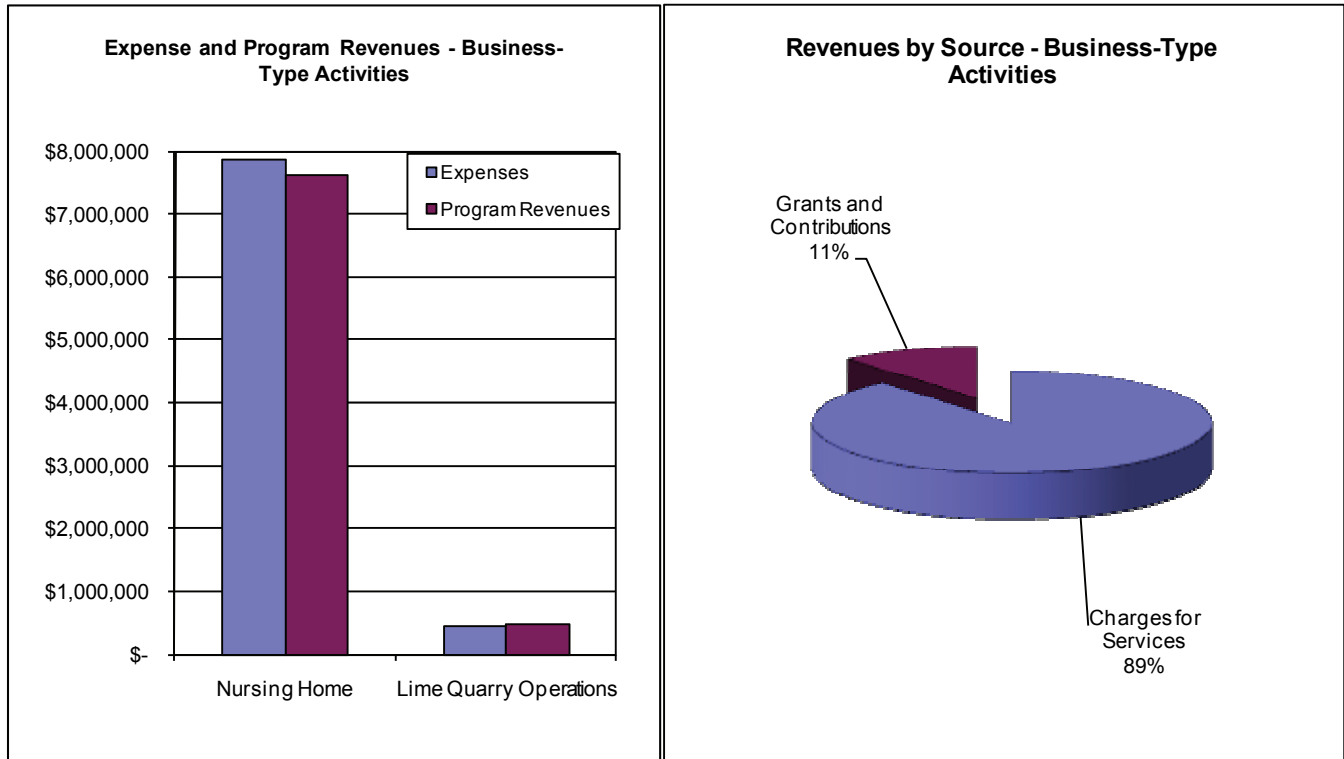
**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)**



**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

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

In the case of business-type activities, the data shows a considerably different picture. Charges for services (89%) replace property taxes as the primary revenue.



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

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

**Governmental Funds**

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

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

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

**Governmental Funds**

At December 31, 2010, the County's governmental funds reported combined ending fund balances of \$14,066,781, an increase of \$814,260 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at 12/31/2010					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 5,557,869	\$ 157,907	\$ 227,429	\$ 18,887	\$ 6,635,325	\$12,597,417	\$ 2,567,712
Debt Service Fund	-	210,238	-	-	-	210,238	1,284
Nonmajor Funds:							
Special Revenue Funds	-	1,109,341	-	-	(100,100)	1,009,241	24,443
Capital Projects Funds	-	249,885	-	-	-	249,885	(1,779,179)
Total Fund Balances	<u>\$ 5,557,869</u>	<u>\$ 1,727,371</u>	<u>\$ 227,429</u>	<u>\$ 18,887</u>	<u>\$ 6,535,225</u>	<u>\$14,066,781</u>	<u>\$ 814,260</u>

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

The general fund is the primary operating fund used to account for the governmental operations of Polk County. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 56% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 29% of the same amount.

The general fund's total fund balance increased \$2,567,712 during the year; while the unassigned portion of the fund increased \$3,757,289. The primary factor in the increase in total fund balance was due to transfers in from the Human Services Fund and proprietary funds, as well as an effort from County management to increase unassigned fund balance.

The County's human services fund had a \$-0- balance at year-end. This decrease was due to a County Board resolution requiring all fund balance be closed to the general fund for 2010.

The debt service fund balance at December 31, 2010 totaled \$210,238. This balance is expected to be used to finance future debt service requirements.

The aggregated other governmental funds column includes various special revenue and capital project funds. The accumulated fund balances of these funds decreased \$1,754,736 during 2010, primarily due to capital project expenditures financed by GO bond proceeds issued in December 2007. These funds are individually detailed in the supplementary information section of this report.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

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

**Proprietary Funds**

Polk County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As shown below, the net assets of the enterprise-type proprietary funds at the end of 2010 totaled \$2,063,826, down \$386,681 from the previous year.

**Condensed Statement of Changes in Net Assets for Enterprise Funds  
Years Ended December 31, 2010 and 2009**

	Nursing Home		Lime Quarry		Totals	
	2010	2009	2010	2009	2010	2009
Operating Revenues	\$ 6,736,046	\$ 6,755,847	\$ 466,864	\$ 439,408	\$ 7,202,910	\$ 7,195,255
Operating Expenses:						
Depreciation	140,352	123,548	116,155	124,837	256,507	248,385
Other	7,663,918	7,112,308	330,616	273,592	7,994,534	7,385,900
Nonoperating Income (Expense)	737,902	634,125	-	(23,874)	737,902	610,251
Income (Loss) Before Transfers	(330,322)	154,116	20,093	17,105	(310,229)	171,221
Transfers and Capital Contributions	23,548	(478,218)	(100,000)	(200,000)	(76,452)	(678,218)
Change in Net Assets	(306,774)	(324,102)	(79,907)	(182,895)	(386,681)	(506,997)
Net Assets - Beginning of Year	934,985	1,259,087	1,515,522	1,698,417	2,450,507	2,957,504
Net Assets - End of Year	<u>\$ 628,211</u>	<u>\$ 934,985</u>	<u>\$ 1,435,615</u>	<u>\$ 1,515,522</u>	<u>\$ 2,063,826</u>	<u>\$ 2,450,507</u>

The decrease in the net assets of the nursing home was \$306,774. This decrease is primarily due to an increase in operating expenses related to daily patient services. As shown above, the change in net assets was a decrease of \$306,774 compared to a decrease of \$324,102 in the previous year.

Reported net assets of the lime quarry fund at December 31, 2010 totaled \$1,435,615, a decrease of \$79,907 from the previous year. This is due primarily to a budgeted transfer out that was expected to be covered by current year operating revenue.

The County had two internal service funds during 2010. Net assets of the funds at year-end and changes thereto during the year were as follows:

	Net Assets at 12/31/10	Change During Year
Highway Department	\$ 7,021,832	\$ (185,127)
Self-Funded Health Insurance	382,488	(788,229)

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

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

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the budgetary comparison schedule for the general fund (in required supplementary information), the final 2010 general fund budgeted revenues were different than the original budget adopted by the County Board, primarily due to the increase in budgeted revenues for new funding sources that were not in the original budget. The final actual revenues were \$21,782,996 which is \$773,509 more than the final budget revenues while the final actual expenditures were \$22,547,527 which is \$2,200,086 less than the final budget. The 2010 activity includes \$46,299 of transfers to other funds.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2010 and 2009 was \$83,758,835 and \$81,743,400, respectively, (net of accumulated depreciation) as shown below:

**Capital Assets (Net of Depreciation)  
December 31, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Not Subject to Depreciation:						
Land and Land Rights	\$ 1,751,799	\$ 1,722,657	\$ 194,480	\$ 201,919	\$ 1,946,279	\$ 1,924,576
Construction Work in Process	110,134	232,028	-	-	110,134	232,028
Subject to Depreciation:						
Land Improvements	259,368	319,035	24,380	28,868	283,748	347,903
Buildings and Improvements	23,971,677	24,673,861	1,238,094	1,141,825	25,209,771	25,815,686
Equipment and Vehicles	10,844,545	10,645,793	1,203,002	1,331,933	12,047,547	11,977,726
Highway Infrastructure	43,038,324	40,295,408	-	-	43,038,324	40,295,408
Other Infrastructure	1,123,032	1,150,073	-	-	1,123,032	1,150,073
Total	<u>\$81,098,879</u>	<u>\$79,038,855</u>	<u>\$ 2,659,956</u>	<u>\$ 2,704,545</u>	<u>\$83,758,835</u>	<u>\$81,743,400</u>

The County capitalized approximately \$4.4 million of highway infrastructure costs during the year.

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

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

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

**Long-Term Obligations**

At December 31, 2010, Polk County had outstanding \$31,676,235 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, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Total Outstanding		% Change
	2010	2009	2010	2009	2010	2009	
General Obligation Debt:							
Bonds	\$20,795,000	\$22,120,000	\$ -	\$ -	\$20,795,000	\$22,120,000	(6.0)%
Notes	6,975,000	8,205,000	65,534	70,662	7,040,534	8,275,662	(14.9)
State Trust Fund Loan	385,722	500,000	-	-	385,722	500,000	(22.9)
Subtotal	<u>28,155,722</u>	<u>30,825,000</u>	<u>65,534</u>	<u>70,662</u>	<u>28,221,256</u>	<u>30,895,662</u>	(8.7)
Other Long-Term Obligations:							
Capital Leases Payable	373,403	423,036	16,525	20,247	389,928	443,283	(12.0)
Forest Crop Loans Payable	350,468	349,975	-	-	350,468	349,975	0.1
Estimated Employee Leave	1,663,784	1,442,695	230,959	248,382	1,894,743	1,691,077	12.0
Other Postemployment Health Care Benefits	655,872	354,948	163,968	83,259	819,840	438,207	87.1
Total	<u>\$31,199,249</u>	<u>\$33,395,654</u>	<u>\$ 476,986</u>	<u>\$ 422,550</u>	<u>\$31,676,235</u>	<u>\$33,818,204</u>	

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 Polk County outstanding at December 31, 2010 totaled \$28,221,257, approximately 12% of the maximum legal limit of \$242,625,995. Additional information on Polk County's long-term debt is reported in [Note 3.E](#) following the financial statements.

**POLK COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2010**

**CURRENTLY KNOWN FACTS**

Limits have been imposed on the property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute establishes specific penalties for failure to meet the levy rate freeze requirements. Among the penalties for exceeding the limits is the reduction of state shared revenues and transportation aids. For the 2010 budget year, Polk County utilized an operating levy rate of \$3.58, a debt levy rate of \$.78, and a special purpose levy rate of \$.11 for a total mill rate of \$4.47/\$1,000 of valuation. The operating levy limit under this restriction was \$4.87. The County's actual operating levy was \$.40/\$1,000 under this levy limit.

The State of Wisconsin has imposed further limits on the County's property tax levy beginning with the 2008 budget year levy. Essentially, the legislation restricts the growth in the County's property taxes (except for debt service, libraries, road and bridge aid, and tax increments) to the greater of the percentage increase in the County's equalized value due to new construction or 2%. The County approved a levy of \$21,637,297 for its 2010 budget, an increase of \$971,235 (4.7%) from the 2009 budget levy of \$20,666,062.

**REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**POLK COUNTY, WISCONSIN  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2010**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Treasurer's Cash and Investments	\$ 12,250,157	\$ 883,856	\$ 13,134,013
Departmental Cash and Investments	59,276	200	59,476
Cash and Investments with Fiscal Agents	66,236	-	66,236
Taxes Receivable	26,341,500	-	26,341,500
Accounts Receivable	474,733	614,147	1,088,880
Due from Other Governments	1,991,382	-	1,991,382
Long-Term Receivables	942,431	-	942,431
Prepaid Items	1,826	41,389	43,215
Inventories	495,690	365,898	861,588
Unamortized Debt Issuance Costs	1,132,097	-	1,132,097
Internal Balances	1,003,753	(1,003,753)	-
Restricted Assets:			
Cash and Investments	-	9,416	9,416
Capital Assets:			
Capital Assets Not Being Depreciated	1,861,933	194,480	2,056,413
Capital Assets Being Depreciated	125,939,299	6,549,342	132,488,641
Accumulated Depreciation	(46,702,353)	(4,083,866)	(50,786,219)
Total Assets	<u>125,857,960</u>	<u>3,571,109</u>	<u>129,429,069</u>
<b>LIABILITIES</b>			
Vouchers and Accounts Payable	1,665,211	244,675	1,909,886
Accrued Payables	1,200,165	342,349	1,542,514
Accrued Interest	117,275	41,068	158,343
Due to Other Governments	214,798	-	214,798
Unearned Revenues	21,753,227	402,205	22,155,432
Special Deposits	49,911	17,206	67,117
Long-Term Liabilities:			
Amounts Due Within One Year	3,975,642	240,325	4,215,967
Amounts Due in More Than One Year	28,184,508	236,661	28,421,169
Total Liabilities	<u>57,160,737</u>	<u>1,524,489</u>	<u>58,685,226</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	51,858,738	2,577,897	54,436,635
Restricted for:			
Debt Service	3,922,476	-	3,922,476
Capital Projects	249,885	-	249,885
Economic and Housing Loan Programs	13,445	-	13,445
Other Purposes	157,907	9,416	167,323
Unrestricted	12,494,772	(523,487)	11,971,285
Total Net Assets	<u>\$ 68,697,223</u>	<u>\$ 2,063,826</u>	<u>\$ 70,761,049</u>

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2010**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services		Governmental Activities	Primary Government	
		Operating Grants and Contributions	Capital Grants and Contributions		Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>						
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 5,507,320	\$ 922,565	\$ 366,829	\$ (4,217,926)	\$ -	\$ (4,217,926)
Public Safety	8,780,818	490,346	666,080	(7,624,392)	-	(7,624,392)
Transportation	3,019,534	-	1,134,424	(1,885,110)	-	(1,885,110)
Sanitation	666,128	429,287	229,459	(7,382)	-	(7,382)
Health and Human Services	16,319,148	3,415,937	7,600,649	(5,302,562)	-	(5,302,562)
Culture, Recreation and Education	1,334,688	14,085	212,883	(1,107,720)	-	(1,107,720)
Conservation and Development	1,857,848	598,995	310,452	(948,401)	-	(948,401)
Interest and Fiscal Charges	1,369,263	-	-	(1,369,263)	-	(1,369,263)
Total Governmental Activities	38,854,747	5,871,215	10,520,776	(22,462,756)	-	(22,462,756)
Business-Type Activities:						
Nursing Home	7,849,407	6,713,618	782,927	-	(229,314)	(229,314)
Lime Quarry	446,771	466,864	-	-	20,093	20,093
Total Business-Type Activities	8,296,178	7,180,482	782,927	-	(209,221)	(209,221)
Total Primary Government	\$ 47,150,925	\$ 13,051,697	\$ 11,303,703	(22,462,756)	(209,221)	(22,671,977)
<b>GENERAL REVENUES</b>						
Taxes:						
Property Taxes				21,171,147	-	21,171,147
Sales Taxes				2,353,827	-	2,353,827
Other Taxes				917,729	-	917,729
State and Federal Aids Not Restricted to Specific Programs				926,775	-	926,775
Interest and Investment Earnings				184,439	112	184,551
Other				802,493	22,428	824,921
<b>TRANSFERS</b>				200,000	(200,000)	-
Total General Revenues and Transfers				26,556,410	(177,460)	26,378,950
<b>CHANGE IN NET ASSETS</b>				4,093,654	(386,681)	3,706,973
Net Assets - Beginning of Year				64,603,569	2,450,507	67,054,076
<b>NET ASSETS - END OF YEAR</b>				\$ 68,697,223	\$ 2,063,826	\$ 70,761,049

See accompanying Notes to the Basic Financial Statements.

## **FUND FINANCIAL STATEMENTS**

**POLK COUNTY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010**

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>ASSETS</b>					
Treasurer's Cash and Investments	\$ 7,368,397	\$ 667,922	\$ 210,623	\$ 1,001,422	\$ 9,248,364
Departmental Cash and Investments	6,585	39,046	-	13,445	59,076
Cash Held by Fiscal Agents	66,236	-	-	-	66,236
Taxes Receivable	18,392,706	3,846,063	3,829,513	273,218	26,341,500
Accounts Receivable	141,444	68,707	-	253,723	463,874
Due from Other Governments	306,333	256,962	-	776,006	1,339,301
Due from Other Funds	106,779	-	-	-	106,779
Prepaid Items	1,826	-	-	-	1,826
Long-Term Accounts Receivable	-	-	-	942,431	942,431
Advances to Other Funds	1,003,753	-	-	-	1,003,753
Total Assets	\$ 27,394,059	\$ 4,878,700	\$ 4,040,136	\$ 3,260,245	\$ 39,573,140

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>					
Vouchers and Accounts Payable	\$ 388,082	\$ 289,668	\$ 385	\$ 143,616	\$ 821,751
Accrued Payables	670,629	230,186	-	106,538	1,007,353
Due to Other Governments	-	214,798	-	-	214,798
Due to Other Funds	-	-	-	106,779	106,779
Deferred Revenues	13,726,866	4,105,202	3,829,513	1,644,186	23,305,767
Special Deposits	11,065	38,846	-	-	49,911
Total Liabilities	14,796,642	4,878,700	3,829,898	2,001,119	25,506,359
<b>FUND BALANCES</b>					
Nondisposable	5,557,869	-	-	-	5,557,869
Restricted	157,907	-	210,238	1,359,226	1,727,371
Committed	227,429	-	-	-	227,429
Assigned	18,887	-	-	-	18,887
Unassigned	6,635,325	-	-	(100,100)	6,535,225
Total Fund Balances	12,597,417	-	210,238	1,259,126	14,066,781
Total Liabilities and Fund Balances	\$ 27,394,059	\$ 4,878,700	\$ 4,040,136	\$ 3,260,245	\$ 39,573,140

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE STATEMENT OF NET ASSETS  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2010**

**Total Fund Balances - Governmental Funds** \$14,066,781

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

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

Land	\$ 1,734,080	
Land Improvements	558,081	
Buildings and Improvements	33,737,251	
Machinery and Equipment	10,991,968	
Infrastructure	71,773,603	
Construction Work-in-Progress	110,134	
Accumulated Depreciation	<u>(42,461,508)</u>	76,443,609

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

1,618,371

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

Bonds Payable	20,795,000	
Notes Payable	6,975,000	
State Trust Fund Loan	385,722	
Accrued Interest Payable	115,730	
Forest Crop Loans	350,468	
Capital Lease	308,937	
Unamortized Bond Premiums	960,901	
Other Postemployment Health Care Benefits	655,872	
Estimated Employee Leave Liability	<u>1,420,325</u>	(31,967,955)

Debt issuance and refinancing costs and premiums 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.

1,132,097

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

7,404,320

**Net Assets of Governmental Activities**

\$68,697,223

*See accompanying Notes to the Basic Financial Statements.*

**POLK COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2010**

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>REVENUES</b>					
Taxes	\$ 14,069,690	\$ 4,060,072	\$ 3,681,957	\$ 2,636,686	\$ 24,448,405
Intergovernmental	3,737,251	4,711,885	-	2,394,552	10,843,688
Licenses and Permits	272,611	-	-	74,176	346,787
Fines and Forfeits	128,664	-	-	46,138	174,802
Public Charges for Services	2,648,238	1,601,476	-	686,846	4,936,560
Intergovernmental Charges for Services	244,316	-	-	-	244,316
Miscellaneous:					
Interest	167,894	-	-	12,146	180,040
Rent	249,065	-	-	-	249,065
Other	265,267	-	351,284	23,115	639,666
Total Revenues	<u>21,782,996</u>	<u>10,373,433</u>	<u>4,033,241</u>	<u>5,873,659</u>	<u>42,063,329</u>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
General Government	5,445,928	-	-	19,488	5,465,416
Public Safety	6,884,504	-	-	433,536	7,318,040
Transportation	4,114,719	-	-	-	4,114,719
Sanitation	566,838	-	-	-	566,838
Health and Human Services	2,666,749	10,200,673	-	2,743,976	15,611,398
Culture, Recreation and Education	1,162,392	-	-	168,506	1,330,898
Conservation and Development	1,706,397	-	-	29,034	1,735,431
<b>CAPITAL OUTLAY</b>					
Public Safety	-	-	-	87,541	87,541
Transportation	-	-	-	34,735	34,735
<b>DEBT SERVICE</b>					
Principal Retirement	-	-	2,688,897	7,730	2,696,627
Interest and Fiscal Charges	-	-	1,373,060	-	1,373,060
Total Expenditures	<u>22,547,527</u>	<u>10,200,673</u>	<u>4,061,957</u>	<u>3,524,546</u>	<u>40,334,703</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	(764,531)	172,760	(28,716)	2,349,113	1,728,626
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	3,378,542	52,850	30,000	9,910	3,471,302
Transfers Out	(46,299)	(225,610)	-	(4,121,982)	(4,393,891)
Loans Issued	-	-	-	8,223	8,223
Total Other Financing Sources (Uses)	<u>3,332,243</u>	<u>(172,760)</u>	<u>30,000</u>	<u>(4,103,849)</u>	<u>(914,366)</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	2,567,712	-	1,284	(1,754,736)	814,260
Fund Balances - Beginning of Year	<u>10,029,705</u>	<u>-</u>	<u>208,954</u>	<u>3,013,862</u>	<u>13,252,521</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 12,597,417</u>	<u>\$ -</u>	<u>\$ 210,238</u>	<u>\$ 1,259,126</u>	<u>\$ 14,066,781</u>

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2010**

**Net Change in Fund Balances - Total Governmental Funds** \$ 814,260

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	\$ 4,875,730	
Depreciation Expense Reported in the Statement of Activities	(3,467,412)	
Net Book Value of Assets Disposed	(1,150)	1,407,168

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.

668,642

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

Forest Crop Loan	(8,223)	
Amortization of Premiums on Bonds Issued	99,314	91,091

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

Bond Principal Retirement	1,325,000	
Long-Term Notes Principal Retirement	1,230,000	
State Trust Fund Loan Repayment	114,278	
Capital Lease Principal Repayment	19,619	
Forest Crop Loan Paid	7,730	2,696,627

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

(973,356)

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

Net Change in Accrued Interest Payable	20,373	
Net Change in Compensated Absences Liability	(214,337)	
Net Change in Other Postemployment Benefits	(300,924)	
Amortization of Debt Issuance Related Costs	(115,890)	(610,778)

**Change in Net Assets of Governmental Activities**

**\$ 4,093,654**

*See accompanying Notes to the Basic Financial Statements.*

**POLK COUNTY, WISCONSIN  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2010**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Nursing Home</u>	<u>Lime Fund</u>	<u>Totals</u>	Activities - Internal Service Funds
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 711,112	\$ 172,744	\$ 883,856	\$ 3,001,793
Departmental Cash and Investments	-	200	200	200
Restricted Cash and Investments	9,416	-	9,416	-
Accounts Receivable	596,012	18,135	614,147	10,643
Due from Other Governmental Units	-	-	-	652,297
Inventories	45,881	320,017	365,898	495,690
Prepaid Items	38,597	2,792	41,389	-
Total Current Assets	<u>1,401,018</u>	<u>513,888</u>	<u>1,914,906</u>	<u>4,160,623</u>
<b>NONCURRENT ASSETS</b>				
Restricted Cash and Investments	17,206	-	17,206	-
Capital Assets Not Being Depreciated	6,605	187,875	194,480	17,719
Capital Assets Being Depreciated	4,990,711	1,558,631	6,549,342	8,878,396
Less: Accumulated Depreciation	<u>3,302,051</u>	<u>781,815</u>	<u>4,083,866</u>	<u>4,240,845</u>
Net Capital Assets	<u>1,712,471</u>	<u>964,691</u>	<u>2,677,162</u>	<u>4,655,270</u>
Total Assets	<u>3,113,489</u>	<u>1,478,579</u>	<u>4,592,068</u>	<u>8,815,893</u>

See accompanying Notes to the Basic Financial Statements.

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Nursing</u>	<u>Lime</u>	<u>Totals</u>	<u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
	<u>Home</u>	<u>Fund</u>		
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 237,402	\$ 7,273	\$ 244,675	\$ 869,187
Accrued Wages Payable	332,445	9,904	342,349	167,085
Resident Trust Funds	17,206	-	17,206	-
Accrued Interest Payable	41,068	-	41,068	1,545
Unearned Revenues	402,205	-	402,205	65,831
Current Portion of Long-Term Liabilities:				
Accrued Employee Leave	213,370	17,589	230,959	198,586
Long-Term Notes	5,414	-	5,414	-
Capital Lease	3,952	-	3,952	31,470
Total Current Liabilities	<u>1,253,062</u>	<u>34,766</u>	<u>1,287,828</u>	<u>1,333,704</u>
<b>LONG-TERM LIABILITIES, (Net of</b>				
<b>Current Portion)</b>				
Accrued Employee Leave	-	-	-	44,873
Advances from General Fund	1,003,753	-	1,003,753	-
Long-Term Notes	60,120	-	60,120	-
Other Postemployment Health Care Benefits	155,770	8,198	163,968	-
Capital Lease	12,573	-	12,573	32,996
Total Long-Term Liabilities	<u>1,232,216</u>	<u>8,198</u>	<u>1,240,414</u>	<u>77,869</u>
Total Liabilities	2,485,278	42,964	2,528,242	1,411,573
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of				
Related Debt	1,613,206	964,691	2,577,897	4,590,804
Restricted for Donation Funds	9,416	-	9,416	-
Unrestricted	(994,411)	470,924	(523,487)	2,813,516
Total Net Assets	<u>\$ 628,211</u>	<u>\$ 1,435,615</u>	<u>\$ 2,063,826</u>	<u>\$ 7,404,320</u>

**POLK COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2010**

	Business-Type Activities - Enterprise Funds			Governmental
	Nursing Home	Lime Fund	Totals	Activities - Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$6,713,618	\$ 466,864	\$7,180,482	\$10,679,766
Miscellaneous	22,428	-	22,428	917,938
Total Operating Revenues	<u>6,736,046</u>	<u>466,864</u>	<u>7,202,910</u>	<u>11,597,704</u>
<b>OPERATING EXPENSES</b>				
Daily Patient Services	4,407,631	-	4,407,631	-
Special Services	797,709	-	797,709	-
General Services	1,407,648	-	1,407,648	-
Other Cost Centers	917	-	917	-
Administrative Services	1,050,013	-	1,050,013	347,541
Lime Quarry Expenses	-	330,616	330,616	-
Transportation Services	-	-	-	6,633,373
Premiums and Claims	-	-	-	6,193,789
Unassigned:				
Depreciation and Depletion	140,352	116,155	256,507	506,895
Change for Accrued Employee Leave	-	-	-	6,752
Total Operating Expenses	<u>7,804,270</u>	<u>446,771</u>	<u>8,251,041</u>	<u>13,688,350</u>
<b>OPERATING INCOME (LOSS)</b>	(1,068,224)	20,093	(1,048,131)	(2,090,646)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental Transfer Program	782,927	-	782,927	-
Interest Revenue	112	-	112	-
Interest on Long-Term Debt	(46,189)	-	(46,189)	(5,299)
Restricted Donations	1,052	-	1,052	-
Total Nonoperating Revenues (Expenses)	<u>737,902</u>	<u>-</u>	<u>737,902</u>	<u>(5,299)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	(330,322)	20,093	(310,229)	(2,095,945)
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>				
Transfer In	-	-	-	1,122,589
Transfers Out	(100,000)	(100,000)	(200,000)	-
Capital Grants and Contribution - County	123,548	-	123,548	-
Total Transfers and Capital Contributions	<u>23,548</u>	<u>(100,000)</u>	<u>(76,452)</u>	<u>1,122,589</u>
<b>CHANGE IN NET ASSETS</b>	(306,774)	(79,907)	(386,681)	(973,356)
Net Assets - Beginning of Year	<u>934,985</u>	<u>1,515,522</u>	<u>2,450,507</u>	<u>8,377,676</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 628,211</u>	<u>\$ 1,435,615</u>	<u>\$ 2,063,826</u>	<u>\$ 7,404,320</u>

See accompanying Notes to the Basic Financial Statements.

**POLK COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2010**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Nursing Home</u>	<u>Lime Fund</u>	<u>Total</u>	<u>Activities - Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received for Services Provided	\$ 7,125,648	\$ 498,341	\$ 7,623,989	\$ 6,204,700
Other Cash Received	22,428	-	22,428	-
Cash Received from Departments/Employees/Third-Parties	-	-	-	5,450,081
Cash Paid to Suppliers for Goods and Services	(3,915,040)	(267,718)	(4,182,758)	(9,711,359)
Cash Paid for Employee Services	(3,557,846)	(180,921)	(3,738,767)	(3,142,833)
Net Cash Provided (Used) by Operating Activities	(324,810)	49,702	(275,108)	(1,199,411)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Net Residents' Trust Funds Received (Paid)	(29,995)	-	(29,995)	-
Transfer In (Out)	(100,000)	(100,000)	(200,000)	1,122,589
Cash Received from Intermediary for Additional Financing of Prior Year Operations	782,927	-	782,927	-
Net Cash Provided (Used) by Noncapital Financing Activities	652,932	(100,000)	552,932	1,122,589
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(206,962)	(4,938)	(211,900)	(1,174,973)
Capital Contributions	123,548	-	123,548	-
Cash Received from Sale of Capital Assets	-	-	-	15,222
Principal Paid on Advance from General Fund	(78,189)	-	(78,189)	-
Interest Paid on Advances from County	(41,958)	-	(41,958)	-
Principal Paid on Long-Term Notes	(8,868)	-	(8,868)	-
Principal Paid on Capital Leases	-	-	-	(30,014)
Interest on Long-Term Notes and Capital Leases	(39,881)	-	(39,881)	(6,018)
Net Cash Used by Capital and Related Financing Activities	(252,310)	(4,938)	(257,248)	(1,195,783)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Investments	1,164	-	1,164	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	76,976	(55,236)	21,740	(1,272,605)
Cash and Cash Equivalents - Beginning of Year	660,758	228,180	888,938	4,274,598
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 737,734</u>	<u>\$ 172,944</u>	<u>\$ 910,678</u>	<u>\$ 3,001,993</u>

See accompanying Notes to the Basic Financial Statements.

	Business-Type Activities - Enterprise Funds			Governmental
	Nursing Home	Lime Fund	Total	Activities - Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$(1,068,224)	\$ 20,093	\$ (1,048,131)	\$(2,090,646)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Depletion	140,352	116,155	256,507	506,895
Changes in Asset and Liability Accounts:				
Decrease (Increase) in Resident Accounts Receivable	9,825	-	9,825	-
Decrease (Increase) in Other Accounts Receivable	-	31,477	31,477	(6,709)
Decrease (Increase) in Due from Other Governmental Units	-	-	-	(24,723)
Decrease (Increase) in Inventories	3,986	(103,669)	(99,683)	9,016
Decrease (Increase) in Prepaid Items	(52)	(301)	(353)	149,000
Increase (Decrease) in Unearned Revenues	402,205	-	402,205	88,509
Increase (Decrease) in Accounts Payable	72,169	(21,951)	50,218	149,087
Increase (Decrease) in Accrued Wages Payable	60,187	(646)	59,541	13,408
Increase (Decrease) in Accrued Employee Leave	(22,151)	4,728	(17,423)	6,752
Increase (Decrease) in Other Postemployment Health Care Benefits	76,893	3,816	80,709	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (324,810)</u>	<u>\$ 49,702</u>	<u>\$ (275,108)</u>	<u>\$(1,199,411)</u>

**RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS**

Cash and Investments per Statement of Net Assets:				
Treasurer's Cash and Investments	\$ 711,112	\$ 172,744	\$ 883,856	\$ 3,001,793
Departmental Cash and Investments	-	200	200	200
Restricted Cash and Investments	17,206	-	17,206	-
Cash and Investments - Restricted	9,416	-	9,416	-
Cash and Cash Equivalents	<u>\$ 737,734</u>	<u>\$ 172,944</u>	<u>\$ 910,678</u>	<u>\$ 3,001,993</u>

**POLK COUNTY, WISCONSIN  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2010**

	Agency Funds
<b>ASSETS</b>	
Treasurer's Cash and Investments	\$ 838,021
Taxes Receivable	771,306
Tax Certificates Receivable	86,252
Special Assessments	331
Total Assets	\$1,695,910
<b>LIABILITIES</b>	
Due Other Governmental Units	\$1,004,944
Special Deposits	604,383
Districts/State Equities in Uncollected Taxes	86,583
Total Liabilities	\$1,695,910

*See accompanying Notes to the Basic Financial Statements.*

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Polk County, Wisconsin (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the County has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so. The significant accounting principles and policies utilized by the County are described below:

**A. Financial Reporting Entity**

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

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

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

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

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

**Government-Wide Statements**

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

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

**Fund Financial Statements**

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

**Human Services Fund** – The Human Services Fund, a special revenue fund, is used to account for various County 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.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

**Fund Financial Statements (Continued)**

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

The County reports the following major enterprise funds:

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

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

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

Additionally, the County reports the following fund types:

- Internal service funds are used to account for the operations of the County’s highway department and transactions of its self-funded health insurance program.
- 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.

**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.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

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

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

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Fiduciary fund financial statements have no measurement focus.

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the nursing home are charges for resident services. The principal operating revenues of the lime fund are charges for the sale of products generated by its operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

**1. Cash and Investments**

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

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

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

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

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

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

Investments of the County are stated at fair value.

**2. Receivables and Payables**

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

The County is also responsible for the collection of all delinquent and postponed property taxes levied by the local taxing districts within its boundaries, except delinquent personal property taxes which are retained by the local municipal district. Real property taxes are payable in full to the local districts on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the Polk County Treasurer for collection in February. The County subsequently settles in full with the local districts in August of the same year. All uncollected taxes returned to the County for collection are financed through the general fund. A portion of the general fund's equity balance is 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 such allowance would not be material, except for the Golden Age Manor Enterprise Fund which reports \$15,000 of allowances for uncollectible accounts.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

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

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

**Interfund Balances** – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a 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 and first-in/first-out (FIFO) for its nursing home enterprise fund. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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

**4. Restricted Assets**

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

**5. Capital Assets**

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

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

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

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

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

**6. Other Assets**

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

**7. Compensated Absences**

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

**8. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net 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.

**9. Equity Classifications**

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

**Government-Wide Statements** – Fund equity is classified as net 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** – In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that will never be converted to cash or will be converted to cash soon enough to affect the current period. Restricted fund balance

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

**9. Equity Classifications (Continued)**

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

Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year end. Based on resolution of the County Board, the County Administrator has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the County’s policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available of an expenditure, it is the County’s policy to use committed, assigned and finally unassigned fund balance.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Deficit Fund Balance**

At December 31, 2010, the Aging Programs, Family Court Counseling, and Bioterrorism nonmajor special revenue funds had deficit fund balances of \$76,048, \$6,596, and \$17,456, respectively. The County plans to eliminate these deficits through future tax levies.

**B. Expenditures in Excess of Budget**

At December 31, 2010, the County had the following fund with expenditures in excess of the approved budget:

Fund	Budget	Actual	Difference
Human Services	\$ 8,856,772	\$ 10,200,673	\$(1,343,901)

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The County's cash and investments balances at December 31, 2010, totaled \$14,124,368 as shown in the financial statements as follows:

Governmental Funds	\$	9,373,676
Proprietary Funds		3,895,465
Fiduciary Funds		838,021
Total Cash and Investments		\$ 14,107,162

The above cash and investments balances totaling \$14,124,368 consisted of the following:

**Treasurer's Cash and Investments**

Deposits at Financial Institutions		
County Funds		\$ 13,405,622

**Departmental Cash and Investments**

Deposits at Financial Institutions		
Funds Held in Trust	\$ 614,183	
Petty Cash	8,205	622,388

**Cash and Investments Held by Fiscal Agents**

Cafeteria Plan	3,500	
Cash Held by Mutual Insurance Corporation	66,236	69,736

**Restricted Cash and Investments**

Deposits in Financial Institutions		
Funds Held in Trust		26,622
Total Cash and Investments at December 31, 2010		\$ 14,124,368

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

**Deposits at Financial Institutions**

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

Custodial credit risk for deposits is the risk that, in the event of bank failure, the County's deposits may not be returned. At December 31, 2010, the County's deposits were not exposed to custodial credit risk.

**Investments**

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

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

**B. Receivables/Deferred Revenues**

**1. Taxes Receivable**

Taxes receivable at December 31, 2010 totaled \$27,199,058. The taxes receivable amount is broken out between \$26,341,500 (\$21,605,703 current and \$4,735,797 delinquent) for governmental funds and \$857,558 for Agency Funds.

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

**2. Long-Term Receivables**

Long-term receivables in the governmental funds at December 31, 2010 are further detailed as follows:

**Housing Rehabilitation Loans** – The County was awarded federal Community Development Block Grant (CDBG) Program grants through the State of Wisconsin for the purpose of financing housing rehabilitation loans. Repayments received on the original loans have been recorded in a separate housing revolving loan fund and are being used to finance similar loans eligible under the program. At December 31, 2010 the County had eighty-four (84) loans outstanding under this program with an outstanding balance of \$942,431 at that date. These loans are deferred until such time as the property is transferred or sold, at which time collections are recorded back into the revolving loan fund.

**3. Deferred Revenues**

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

	Unavailable	Unearned	Total as of 12/31/10
2010 Tax Levy	\$ -	\$ 21,605,703	\$ 21,605,703
Grants			
General Fund	4,442	65,515	69,957
Human Services Fund	256,962	2,177	259,139
Public Health Fund	237,340	-	237,340
Bioterrorism	177,196	14,001	191,197
Long-Term Receivables			
Housing Rehabilitation Loans	942,431	-	942,431
Total	\$ 1,618,371	\$ 21,687,396	\$ 23,305,767

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

**C. Capital Assets**

Capital assets activity for the year ended December 31, 2010 was as follows:

**Governmental Activities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>General County Assets:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,704,938	\$ 30,292	\$ 1,150	\$ 1,734,080
Construction Work in Progress:				
Roadways	232,028	2,145,744	2,267,638	110,134
Total Capital Assets Not Being Depreciated	1,936,966	2,176,036	2,268,788	1,844,214
Capital Assets Being Depreciated:				
Land Improvements	558,081	-	-	558,081
Buildings and Improvements	33,494,491	242,760	-	33,737,251
Equipment and Vehicles	10,879,835	301,578	189,445	10,991,968
Highway Infrastructure	66,341,799	4,422,994	345,100	70,419,693
Other Infrastructure	1,353,910	-	-	1,353,910
Total Capital Assets Being Depreciated	112,628,116	4,967,332	534,545	117,060,903
Total Capital Assets	114,565,082	7,143,368	2,803,333	118,905,117
Accumulated Depreciation:				
Land Improvements	317,843	52,808	-	370,651
Buildings and Improvements	9,498,471	965,813	-	10,464,284
Equipment and Vehicles	3,462,099	741,672	189,445	4,014,326
Highway Infrastructure	26,046,391	1,680,078	345,100	27,381,369
Other Infrastructure	203,837	27,041	-	230,878
Total Accumulated Depreciation	39,528,641	3,467,412	534,545	42,461,508
Net Capital Assets - General County	<u>\$ 75,036,441</u>	<u>\$ 3,675,956</u>	<u>\$ 2,268,788</u>	<u>\$ 76,443,609</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

**C. Capital Assets (Continued)**

**Governmental Activities (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Highway Department:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 17,719	\$ -	\$ -	\$ 17,719
Capital Assets Being Depreciated:				
Land Improvements	153,100	-	-	153,100
Buildings and Improvements	1,097,477	58,159	-	1,155,636
Machinery and Equipment	7,147,758	1,312,300	923,811	7,536,247
Other Capital Assets	33,413	-	-	33,413
Total Capital Assets Being Depreciated	<u>8,431,748</u>	<u>1,370,459</u>	<u>923,811</u>	<u>8,878,396</u>
Total Capital Assets	<u>8,449,467</u>	<u>1,370,459</u>	<u>923,811</u>	<u>8,896,115</u>
Accumulated Depreciation:				
Land Improvements	74,303	6,859	-	81,162
Buildings and Improvements	419,636	37,290	-	456,926
Machinery and Equipment	3,927,276	461,990	713,103	3,676,163
Other Capital Assets	25,838	756	-	26,594
Total Accumulated Depreciation	<u>4,447,053</u>	<u>506,895</u>	<u>713,103</u>	<u>4,240,845</u>
Net Capital Assets - Highway Department	<u>\$ 4,002,414</u>	<u>\$ 863,564</u>	<u>\$ 210,708</u>	<u>\$ 4,655,270</u>
Governmental Activities				
Capital Assets Not Being Depreciated	\$ 1,954,685	\$ 2,176,036	\$ 2,268,788	\$ 1,861,933
Capital Assets Being Depreciated	<u>121,059,864</u>	<u>6,337,791</u>	<u>1,458,356</u>	<u>125,939,299</u>
Total Capital Assets	<u>123,014,549</u>	<u>8,513,827</u>	<u>3,727,144</u>	<u>127,801,232</u>
Less: Accumulated Depreciation	<u>43,975,694</u>	<u>3,974,307</u>	<u>1,247,648</u>	<u>46,702,353</u>
Net Capital Assets - Governmental Activities	<u>\$ 79,038,855</u>	<u>\$ 4,539,520</u>	<u>\$ 2,479,496</u>	<u>\$ 81,098,879</u>

Depreciation expense was charged to governmental functions as follows:

General County:	
General Government	\$ 256,640
Public Safety	1,080,701
Transportation	1,695,299
Sanitation	22,321
Health and Human Services	319,465
Culture, Recreation and Education	22,261
Conservation and Development	70,725
Subtotal General County	<u>3,467,412</u>
Highway Department:	
Transportation	506,895
Total	<u>\$ 3,974,307</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

**C. Capital Assets (Continued)**

**Business-Type Activities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Nursing Home:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 6,605	\$ -	\$ -	\$ 6,605
Capital Assets Being Depreciated:				
Land Improvements	103,386	-	-	103,386
Buildings and Improvements	2,997,135	163,874	-	3,161,009
Fixed Equipment	817,058	14,135	-	831,193
Equipment and Vehicles	869,218	28,970	3,065	895,123
Total Capital Assets Being Depreciated	<u>4,786,797</u>	<u>206,979</u>	<u>3,065</u>	<u>4,990,711</u>
Total Capital Assets	4,793,402	206,979	3,065	4,997,316
Accumulated Depreciation:				
Land Improvements	93,254	2,045	-	95,299
Buildings and Improvements	1,858,670	66,038	-	1,924,708
Fixed Equipment	534,074	36,969	-	571,043
Equipment and Vehicles	678,766	35,300	3,065	711,001
Total Accumulated Depreciation	<u>3,164,764</u>	<u>140,352</u>	<u>3,065</u>	<u>3,302,051</u>
Net Capital Assets - Nursing Home	<u>\$ 1,628,638</u>	<u>\$ 66,627</u>	<u>\$ -</u>	<u>\$ 1,695,265</u>
<b>Lime Fund:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 195,314	\$ -	\$ 7,439	\$ 187,875
Capital Assets Being Depreciated:				
Land Improvements	47,953	-	-	47,953
Buildings and Improvements	21,666	-	-	21,666
Machinery and Equipment	1,484,074	4,938	-	1,489,012
Total Capital Assets Being Depreciated	<u>1,553,693</u>	<u>4,938</u>	<u>-</u>	<u>1,558,631</u>
Total Capital Assets	1,749,007	4,938	7,439	1,746,506
Accumulated Depreciation:				
Land Improvements	29,217	2,443	-	31,660
Buildings and Improvements	18,306	1,567	-	19,873
Machinery and Equipment	625,577	104,705	-	730,282
Total Accumulated Depreciation	<u>673,100</u>	<u>108,715</u>	<u>-</u>	<u>781,815</u>
Net Capital Assets - Lime Fund	<u>\$ 1,075,907</u>	<u>\$ (103,777)</u>	<u>\$ 7,439</u>	<u>\$ 964,691</u>
Business-Type Activities				
Capital Assets Not Being Depreciated	\$ 201,919	\$ -	\$ 7,439	\$ 194,480
Capital Assets Being Depreciated	<u>6,340,490</u>	<u>211,917</u>	<u>3,065</u>	<u>6,549,342</u>
Total Capital Assets	6,542,409	211,917	10,504	6,743,822
Less: Accumulated Depreciation	<u>3,837,864</u>	<u>249,067</u>	<u>3,065</u>	<u>4,083,866</u>
Net Capital Assets - Business-Type Activities	<u>\$ 2,704,545</u>	<u>\$ (37,150)</u>	<u>\$ 7,439</u>	<u>\$ 2,659,956</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

**C. Capital Assets (Continued)**

**Business-Type Activities (Continued)**

Depreciation was charged to business-type activities as follows:

Nursing Home	\$ 140,352
Lime Operations	108,715
	\$ 249,067

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

The composition of interfund balances as of December 31, 2010 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Family Court Counseling	\$ 6,871
General Fund	Aging	57,359
General Fund	Bioterrorism Consortium	14,221
General Fund	ADRC	28,328
		\$ 106,779

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

**Advances from/to Other Funds**

Receivable Fund	Payable Fund	Amount
General Fund	Nursing Home Fund	\$ 1,003,753

Long-term advances due the general fund from the Polk County Home Enterprise Fund at December 31, 2010 totaled \$1,003,753 (\$62,933 current and \$940,820 noncurrent). Proceeds of a general obligation bond issue (retired in 1989) were advanced to the enterprise fund in 1979 to finance a construction project. The Enterprise Fund is to repay the principal balance to the General Fund at the rate of \$11,500 per year with the final payment of \$9,000 due March 1, 2015. The balance at December 31, 2010 was \$55,000. On April 10, 1997 the General Fund advanced \$180,000 to the enterprise fund. The loan is to be paid off over 20 years with an interest rate of 6.75%, with annual principal installments of \$9,000. The balance at December 31, 2010 was \$45,000. A State Trust Fund loan dated September 27, 1995 issued for nursing home purposes was assumed by the County and treated as an advance to the Home. The advance is to be paid off over 20 years with interest at 5%, with annual installments of \$11,922. The balance at December 31, 2010 was \$59,610. On April 1, 2008, the General Fund advanced \$889,910 to the enterprise fund. The loan is to be paid-off over nine years with an interest rate of 4% and principal payments varying from \$20,341 to \$213,578. The balance at December 31, 2010 was \$844,143.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

**Interfund Transfers**

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Lime Fund	\$ 100,000
General Fund	Golden Age Manor	100,000
General Fund	Nonmajor Governmental Funds	2,952,932
General Fund	Human Services Fund	225,610
Human Services Fund	Nonmajor Governmental Funds	52,850
Debt Service Fund	Nonmajor Governmental Funds	30,000
Nonmajor Governmental Funds	General Fund	9,910
Internal Service Fund	General Fund	36,389
Internal Service Fund	Nonmajor Governmental Funds	1,086,200
	Total	<u>\$ 4,593,891</u>

The transfer from the Lime and Golden Age Manor Funds to the General Fund was to support General Fund operation. The transfer from the Nonmajor Governmental Funds to the General Fund consisted of the amount of County sales tax collections applied to the 2010 budget and to close capital projects funds. The Transfer from the Human Services Fund to the General Fund was to the 2010 Human Services Fund balance to the General Fund. The transfer to the Human Services Fund represented the application of driver improvement fees to that fund and reimbursement of capital outlay costs from the General Fund.

Transfers to the Debt Service Fund were to repay debt from the Nonmajor Governmental Funds. Transfers within the Nonmajor Governmental Funds were to fund capital outlay and to support operations. The transfer from the General Fund to Nonmajor Governmental Funds was to fund capital outlay. The transfers from Nonmajor Governmental Funds to Internal Services Funds were to finance capital projects in the Highway Fund. The transfer from the General Fund to the Internal Service Funds was to fund capital outlay.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

The following is a summary of long-term obligations transactions for the year ended December 31, 2010:

	Balance 1/1/10	Issued	Retired	Balance 12/31/10	Amounts Due Within One Year
<b>Long-Term Debt</b>					
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 22,120,000	\$ -	\$ 1,325,000	\$ 20,795,000	\$ 1,490,000
General Obligation Notes	8,205,000	-	1,230,000	6,975,000	1,005,000
State Trust Fund Loan	500,000	-	114,278	385,722	124,492
Add: Unamortized Bond Premiums	1,060,215	-	99,314	960,901	-
<b>Business-Type Activities</b>					
General Obligation Notes	70,662	-	5,128	65,534	5,414
Capital Lease	20,247	-	3,722	16,525	3,952
Total Long-term Debt	<u>\$ 31,976,124</u>	<u>\$ -</u>	<u>\$ 2,777,442</u>	<u>\$ 29,198,682</u>	<u>\$ 2,628,858</u>
<b>Other Long-Term Obligations</b>					
<b>Governmental Activities</b>					
<b>Governmental Funds</b>					
Forest Loans Payable	\$ 349,975	\$ 8,223	\$ 7,730	\$ 350,468	\$ -
Capital Leases	328,556	-	19,619	308,937	25,696
Employee Leave Liability	1,205,988	1,463,846	1,249,509	1,420,325	1,100,398
Other Postemployment Health Care Benefits	354,948	445,394	144,470	655,872	-
<b>Highway Internal Service Fund</b>					
Capital Leases	94,480	-	30,014	64,466	31,470
Employee Leave Liability	236,707	165,933	159,181	243,459	198,586
Total Other Long-Term Obligations	<u>\$ 2,570,654</u>	<u>\$ 2,083,396</u>	<u>\$ 1,610,523</u>	<u>\$ 3,043,527</u>	<u>\$ 1,356,150</u>
<b>Business-Type Activities</b>					
<b>Nursing Home Enterprise Fund</b>					
Employee Leave Liability	\$ 235,521	\$ 295,124	\$ 317,275	\$ 213,370	\$ 213,370
Other Postemployment Benefits	78,877	113,808	36,915	155,770	-
<b>Lime Enterprise Fund</b>					
Employee Leave Liability	12,861	12,666	7,938	17,589	17,589
Other Postemployment Health Care Benefits	4,382	5,649	1,833	8,198	-
Total Other Long-Term Obligations	<u>\$ 331,641</u>	<u>\$ 427,247</u>	<u>\$ 363,961</u>	<u>\$ 394,927</u>	<u>\$ 230,959</u>

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

**General Obligation Long-Term Debt**

**Annual Requirements for Retirement.** Long-term general obligation debt issues outstanding at December 31, 2010 and annual requirements for their retirement were as follows:

	Year	Principal	Interest	Total
<b>Governmental Activities:</b>				
<b>General Obligation Bonds:</b>				
General Obligation Refunding Bonds, \$18,500,000, Issued 3/15/05, Due 12/1/21, Interest at 3.00%-5.00%.	2011	\$ 25,000	\$ 837,055	\$ 862,055
	2012	1,085,000	836,180	1,921,180
	2013	1,290,000	803,630	2,093,630
	2014	2,090,000	748,805	2,838,805
	2015	2,345,000	644,305	2,989,305
	2016-2020	10,830,000	1,606,635	12,436,635
	2021	500,000	23,750	523,750
Subtotal		18,165,000	5,500,360	23,665,360
General Obligation Bonds, \$16,515,000, Issued 2/1/01, Due 12/1/11, Interest at 4.25%-4.50%. (2012-2020 Maturities Defeased in 2005).	2011	875,000	69,125	944,125
Subtotal		875,000	69,125	944,125
General Obligation Bonds, \$12,105,000, Issued 4/1/02, Due 12/1/13, Interest at 3.00%-5.00% (2014-2021 Maturities Defeased in 2005).	2011	590,000	83,338	673,338
	2012	585,000	56,788	641,788
	2013	580,000	29,000	609,000
Subtotal		1,755,000	169,126	1,924,126
<b>General Obligation Notes:</b>				
General Obligation Promissory Notes, \$5,600,000, Issued 9/1/05, Due 12/1/14, Interest at 3.50% to 4.00%.	2011	885,000	143,988	1,028,988
	2012	905,000	110,800	1,015,800
	2013	905,000	74,600	979,600
	2014	960,000	38,400	998,400
Subtotal		3,655,000	367,788	4,022,788
General Obligation Promissory Notes, \$3,500,000, Issued 12/15/07, Due 12/1/17, Interest at 4.00%.	2011	120,000	132,800	252,800
	2012	250,000	128,000	378,000
	2013	270,000	118,000	388,000
	2014	255,000	107,200	362,200
	2015	775,000	97,000	872,000
	2016-2017	1,650,000	99,600	1,749,600
Subtotal		3,320,000	682,600	4,002,600

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

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

**Annual Requirements for Retirement (Continued)**

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Governmental Activities (Continued):</b>				
<b>State Trust Fund Loan:</b>				
State Trust Fund Loan,	2011	\$ 124,492	\$ 12,536	\$ 137,028
\$500,000, Issued 10/20/08,	2012	128,515	8,513	137,028
Due 10/20/13, Interest at 3.25%.	2013	132,715	4,313	137,028
Subtotal		<u>385,722</u>	<u>25,362</u>	<u>411,084</u>
Total Governmental Activities		28,155,722	6,814,361	34,970,083
<b>Business-Type Activities (Nursing Home):</b>				
<b>General Obligation Notes:</b>				
Bank Note, \$90,000, dated 12/31/05,	2011	5,414	2,849	8,263
semiannual payments of \$4,131	2012	5,657	2,605	8,262
on 4/1 and 10/1, final payment 10/1/15.	2013	5,912	2,351	8,263
	2014	6,178	2,805	8,983
	2015	42,373	1,807	44,180
Total Business-Type Activities		<u>65,534</u>	<u>12,417</u>	<u>77,951</u>
Total General Obligation Debt		<u>\$ 28,221,256</u>	<u>\$ 6,826,778</u>	<u>\$ 35,048,034</u>

**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, 2010, the County's debt limit amounted to \$242,625,995 and indebtedness subject to the limitation totaled \$28,221,257.

**Operating Leases.** The County has entered into a number of leases for the use of equipment and vehicles. The 2010 expenditures for these leases was \$76,394. Minimum lease payments over the term of these leases are as follows:

<u>Year</u>	<u>Total</u>
2011	\$ 103,039
2012	79,002
2013	18,184
2014	4,566
2015	525
Total	<u>\$ 205,316</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

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

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

	<u>Governmental Funds</u>	<u>Highway Internal Service Fund</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$ 441,048	\$ 162,243	\$ 603,291	\$ 20,846
Less: Accumulated Depreciation	(21,642)	(49,415)	(71,057)	(3,723)
Total	<u>\$ 419,406</u>	<u>\$ 112,828</u>	<u>\$ 532,234</u>	<u>\$ 17,123</u>

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

<u>Year</u>	<u>Governmental Funds</u>	<u>Highway Internal Service Fund</u>	<u>Governmental Activities Total</u>	<u>Business- Type Activities</u>
2011	\$ 38,146	\$ 34,487	\$ 72,633	\$ 4,836
2012	38,146	34,489	72,635	4,836
2013	38,146	-	38,146	4,836
2014	38,146	-	38,146	4,031
2015	38,146	-	38,146	-
2016-2020	190,730	-	190,730	-
Subtotal	<u>381,460</u>	<u>68,976</u>	<u>450,436</u>	<u>18,539</u>
Less: Interest	(72,523)	(4,510)	(77,033)	(2,014)
Total	<u>\$ 308,937</u>	<u>\$ 64,466</u>	<u>\$ 373,403</u>	<u>\$ 16,525</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

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

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

**County Forest Loans**

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

The cumulative loan balance due the state by the County under this program was \$350,468 at December 31, 2010.

**F. Conduit Debt**

The County was a party to a "joint powers and parity agreement" in 2006 among Polk County, the Town of St. Croix Falls, the Town of Milltown, and the Village of Milltown (collectively referred to as the Municipalities), St. Croix Regional Medical Center, Inc. (the Obligor) and U.S. Bank National Association, a national banking association (the Lender) for the purpose of the issuance of \$13 million of health care facilities revenue bonds by the Municipalities to the Lender in May 2006 with the proceeds therefore to be used by the Obligor for capital improvements and debt refinancing. Bonds issued by the County totaled \$5.0 million (Series 2006A). The bonds are subject to repayment solely from payments received by the Lender from the Obligor in accordance with underlying mortgage assignments and related agreements. The bonds are special limited obligations of the Municipalities and do not constitute a moral or general obligation of the Municipalities. In addition, the County issued \$4.3 million of health care facilities revenues bonds Series 2006B in December 2006. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance of the collective debt was \$9,637,863 at June 30, 2010 per audited financial statements of the Obligor.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

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

**G. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at December 31, 2010 consisted of the following:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
<b>Major Funds:</b>						
General Fund						
Delinquent Taxes	\$ 4,552,290	\$ 4,552,290	\$ -	\$ -	\$ -	\$ -
Interfund Advances	1,003,753	1,003,753	-	-	-	-
Prepaid Items	1,826	1,826	-	-	-	-
Land and Water Management Grant	6,199	-	6,199	-	-	-
Redations	25,080	-	25,080	-	-	-
Federal Forfeiture	42,809	-	42,809	-	-	-
Veterans Services Grant	1,681	-	1,681	-	-	-
Veterans Relief Grant	1,539	-	1,539	-	-	-
Library Operations	23,402	-	23,402	-	-	-
Donations	5,445	-	5,445	-	-	-
Other Grants	14,423	-	14,423	-	-	-
Internet Services	25,721	-	25,721	-	-	-
Maintenance of Forest Roads	11,608	-	11,608	-	-	-
Recycling	187,191	-	-	187,191	-	-
Conservation Projects	10,554	-	-	10,554	-	-
Meth Donations	1,083	-	-	1,083	-	-
Water Resource Cost Share	20,689	-	-	20,689	-	-
Wellness	7,912	-	-	7,912	-	-
Vending Machines	8,719	-	-	-	8,719	-
Trans Corp	10,168	-	-	-	10,168	-
Unassigned	6,635,325	-	-	-	-	6,635,325
Subtotal General Fund	<u>12,597,417</u>	<u>5,557,869</u>	<u>157,907</u>	<u>227,429</u>	<u>18,887</u>	<u>6,635,325</u>
Debt Service Fund	210,238	-	210,238	-	-	-
<b>Nonmajor Funds:</b>						
Special Revenue Funds:						
Public Health Programs Fund	331,154	-	331,154	-	-	-
Aging Programs Fund	(76,048)	-	-	-	-	(76,048)
Family Court Counseling Fund	(6,596)	-	-	-	-	(6,596)
Jail Assessment Fees Fund	107,981	-	107,981	-	-	-
Bioterrorism Consortium Fund	(17,456)	-	-	-	-	(17,456)
Dog License Fund	2,892	-	2,892	-	-	-
Drivers Improvement Fund	219	-	219	-	-	-
Park Dedication Fund	46,001	-	46,001	-	-	-
Snowmobile/ATV Trails	33,184	-	33,184	-	-	-
State Aid Forestry Fund	13,150	-	13,150	-	-	-
Lake Improvement Fund	91,364	-	91,364	-	-	-
Community Development Block Grant Fund	13,445	-	13,445	-	-	-
County Sales Tax Fund	427,097	-	427,097	-	-	-
ADRC Fund	42	-	42	-	-	-
Criminal Justice Collaborative Fund	42,812	-	42,812	-	-	-
Capital Projects Fund:						
G.O. Bond 2007	249,885	-	249,885	-	-	-
Subtotal Nonmajor Funds	<u>1,259,126</u>	<u>-</u>	<u>1,359,226</u>	<u>-</u>	<u>-</u>	<u>(100,100)</u>
Total Governmental Funds Balances at December 31, 2010	<u>\$ 14,066,781</u>	<u>\$ 5,557,869</u>	<u>\$ 1,727,371</u>	<u>\$ 227,429</u>	<u>\$ 18,887</u>	<u>\$ 6,535,225</u>

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 OTHER INFORMATION**

**A. Employee Leave Liability**

Employees earn one day of sick leave per month with a maximum accumulation of one hundred twenty (120) days, except for law enforcement employees who are not subject to the maximum accumulation. Employees eligible for retirement as defined by the Wisconsin Retirement System have the option, upon retirement, of receiving payment for one-half of their accumulated sick leave up to a maximum of forty-five days or electing to bank the equivalent of 67% of their accrued sick leave for payment of health insurance premiums. For members of the law enforcement bargaining unit, the County is to transfer the total value of the accrued sick leave to the retiree's VEBA account. At December 31, 2010, sick leave earned and not taken was approximately \$69,188 in the nursing home enterprise fund, \$0 in the lime quarry enterprise fund, \$89,747 in the highway department internal service fund and \$639,854 in the governmental funds determined on the basis of current salary rates. The County has used the 67% maximum liability for employees eligible for retirement to determine its estimated liability.

Vacation is granted to employees in varying amounts based on length of service. Vacation for part-time employees is prorated. Employees are allowed to carry over to the following year one-half of their current year vacation. The estimated value of unrecorded vacation leave at December 31, 2010, was \$144,182 in the nursing home enterprise fund, \$17,589 in the lime quarry enterprise fund, \$153,712 in the highway department internal service fund, and \$780,471 in the governmental funds.

**B. Employee Retirement Plan**

All eligible Polk County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year (440 for teachers) are eligible to participate in the WRS. Covered employees in the general/teacher category are required by statute to contribute 6.0% of their salary (3.0% for executives and elected officials, 5.1% for protective occupations with social security, and 3.4% 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, 2010 was \$20,095,216; the employer's total payroll was \$20,751,248. The total required contribution for the year ended December 31, 2010 was \$2,386,659, which consisted of \$1,217,090, or 6.1% of payroll from the employer and \$1,169,567, or 5.8% of payroll from employees. Total contributions for the years ending December 31, 2009 and 2008 were \$2,180,094 and \$2,210,879, respectively, equal to the required contributions for each year.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

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

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings are the average of the 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 are determined under Chapter 40 of the state statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**C. OPEB Disclosure**

In 2008, the County implemented the requirements of a new accounting statement GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. The County provides benefits for retirees as required by state statutes. Active employees who retire from the County when eligible to receive a retirement benefit from the Wisconsin Retirement System (WRS) (or similar plan) and do not participate in any other coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. Pursuant to the provisions of the plan, retirees are required to pay varying percentages of the total premium cost. As of January 1, 2010, there were approximately 31 retirees receiving health benefits from the County's health plan.

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. OPEB Disclosure (Continued)**

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

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of fund that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost of 2010, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual Required Contribution (ARC):	\$ 571,672
Interest on Net OPEB Obligation	19,719
Adjustment to ARC	<u>(26,541)</u>
Annual OPEB Cost	564,850
Contributions During the Year	<u>(183,217)</u>
Increase in Net OPEB Obligation	381,633
Net OPEB - Beginning of the Year	<u>438,207</u>
Net OPEB - End of the Year	<u><u>\$ 819,840</u></u>
Governmental Activities	\$ 655,872
Business-Type Activities	<u>163,968</u>
Total OPEB Payable	<u><u>\$ 819,840</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2010 were as follows:

Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
December 31, 2010	\$ 564,850	\$ 183,217	32.4 %	\$ 819,840
December 31, 2009	427,352	217,387	50.9	438,207
December 31, 2008	417,158	188,916	45.3	228,242

**2. Funding Status**

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

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. OPEB Disclosure (Continued)**

**3. Actuarial Methods and Assumptions**

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

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

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

In the January 1, 2010 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.5% discount rate, which is based on the estimated long-term investment yield on the general assets of the County using an underlying long-term inflation assumption of 3.0%. The annual healthcare cost trend rate is 8.5% initially, reduced incrementally to an ultimate rate of 5.0% over seven years. The unfunded actuarial accrued liability is being amortized as a level dollar amount over an open 30-year period.

**D. Risk Management**

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

**POLK COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**E. Risk Management (Continued)**

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

The County has established a self-funded health insurance program. This program is funded by "premiums" charged monthly to the various County departments based on actual participation by employees and by payments from current and retired employees for their share of the cost. The plan is administered on a contract basis by an outside party. Claims are paid by the administrator and are reimbursed by the County. Reinsurance for both specific and annual aggregate stop-loss coverage is provided. Specific stop-loss covers individual claims in excess of \$75,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$5,735,946. The fund had a balance at December 31, 2010 of \$382,488.

Changes in the claims liabilities for 2010 and 2009 for the health insurance fund were as follows:

	2010	2009
Estimated Claims Outstanding - January 1	\$ 547,866	\$ 491,334
Current Year Claims and Changes	6,170,678	5,763,187
Claim Payments	(6,193,789)	(5,706,655)
Estimated Claims Outstanding - December 31	\$ 524,755	\$ 547,866

**F. 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**

**POLK COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 13,620,139	\$ 13,620,139	\$ 14,069,690	\$ 449,551
Intergovernmental	3,105,651	3,669,375	3,737,251	67,876
Licenses and Permits	306,500	306,500	272,611	(33,889)
Fines and Forfeits	142,000	142,000	128,664	(13,336)
Public Charges for Services	2,475,725	2,581,499	2,648,238	66,739
Intergovernmental Charges for Services	211,125	228,858	244,316	15,458
Miscellaneous:				
Interest	124,700	124,700	167,894	43,194
Rent	243,225	243,225	249,065	5,840
Other	40,700	93,191	265,267	172,076
Total Revenues	<u>20,269,765</u>	<u>21,009,487</u>	<u>21,782,996</u>	<u>773,509</u>
<b>EXPENDITURES</b>				
General Government				
Legislative	153,825	153,825	135,889	17,936
Judicial	1,081,679	1,081,679	1,006,328	75,351
Legal	671,367	671,368	604,880	66,488
General Administration	1,645,427	1,748,339	1,631,057	117,282
Financial Administration	250,084	250,084	233,668	16,416
General Buildings and Plant	1,320,464	1,347,161	1,213,340	133,821
Property Records and Control	781,632	899,864	620,766	279,098
Total General Government	<u>5,904,478</u>	<u>6,152,320</u>	<u>5,445,928</u>	<u>706,392</u>
Public Safety				
Sheriff and Traffic	4,477,520	4,894,696	4,218,494	676,202
Fire	-	-	2,993	(2,993)
Emergency Service and Disaster Control	88,982	197,563	160,165	37,398
Corrections and Detention	2,645,621	2,645,621	2,502,852	142,769
Total Public Safety	<u>7,212,123</u>	<u>7,737,880</u>	<u>6,884,504</u>	<u>853,376</u>
Transportation Facilities				
Appropriations to Highway Department	4,114,719	4,114,719	4,114,719	-
Sanitation				
Recycling	501,133	501,133	513,057	(11,924)
Solid Waste Management	42,975	42,975	37,312	5,663
Clean Sweep	15,500	15,500	50	15,450
Recycling Equipment Replacement	15,800	35,208	16,419	18,789
Total Sanitation	<u>575,408</u>	<u>594,816</u>	<u>566,838</u>	<u>27,978</u>

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

**POLK COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Health and Human Services				
General Health	\$ 2,108,269	\$ 2,108,269	\$ 1,990,106	\$ 118,163
Social Services	494,729	586,064	522,465	63,599
Aging Programs	11,875	21,515	11,178	10,337
Veterans	134,858	148,477	143,000	5,477
Total Health and Human Services	<u>2,749,731</u>	<u>2,864,325</u>	<u>2,666,749</u>	<u>197,576</u>
Culture, Recreation and Education				
Culture	714,684	728,272	686,318	41,954
Public Areas	130,319	168,116	176,694	(8,578)
Recreation Facilities	23,100	26,481	26,482	(1)
Education	253,590	283,653	272,898	10,755
Total Culture, Recreation, and Education	<u>1,121,693</u>	<u>1,206,522</u>	<u>1,162,392</u>	<u>44,130</u>
Conservation and Development				
Resource Conservation	587,715	913,030	725,904	187,126
Planning	33,900	40,897	33,908	6,989
Zoning	658,292	736,708	671,454	65,254
Public Housing	3,100	3,100	1,638	1,462
Economic Development	95,200	383,296	273,493	109,803
Total Conservation and Development	<u>1,378,207</u>	<u>2,077,031</u>	<u>1,706,397</u>	<u>370,634</u>
Total Expenditures	<u>23,056,359</u>	<u>24,747,613</u>	<u>22,547,527</u>	<u>2,200,086</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,786,594)	(3,738,126)	(764,531)	2,973,595
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,331,475	2,378,746	3,378,542	999,796
Transfers Out	(32,000)	(32,000)	(46,299)	(14,299)
Total Other Financing Sources (Uses)	<u>2,299,475</u>	<u>2,346,746</u>	<u>3,332,243</u>	<u>985,497</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (487,119)</u>	<u>\$ (1,391,380)</u>	2,567,712	<u>\$ 3,959,092</u>
Fund Balance - Beginning of Year			<u>10,029,705</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 12,597,417</u>	

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

**POLK COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
HUMAN SERVICES FUND  
YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 4,060,072	\$ 4,060,072	\$ 4,060,072	\$ -
Intergovernmental	3,978,350	3,978,350	4,711,885	733,535
Public Charges for Services	818,350	818,350	1,601,476	783,126
Total Revenues	<u>8,856,772</u>	<u>8,856,772</u>	<u>10,373,433</u>	<u>1,516,661</u>
<b>EXPENDITURES</b>				
Health and Human Services	<u>8,856,772</u>	<u>8,856,772</u>	<u>10,200,673</u>	<u>(1,343,901)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	172,760	172,760
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	52,850	52,850
Transfers Out	-	-	(225,610)	(225,610)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(172,760)</u>	<u>(172,760)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

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

**POLK COUNTY, WISCONSIN  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 YEAR ENDED DECEMBER 31, 2010**

**BUDGETARY INFORMATION**

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

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

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

Fund	Budget	Actual	Difference
Human Services	\$ 8,856,772	\$ 10,200,673	\$ (1,343,901)

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

**POLK COUNTY, WISCONSIN  
 FUNDING PROGRESS SCHEDULE  
 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS  
 YEAR ENDED DECEMBER 31, 2010**

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

## **SUPPLEMENTARY INFORMATION**

## **COMBINING AND INDIVIDUAL FUND STATEMENTS**

**POLK COUNTY, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2010**

Special Revenue Funds

	Public Health	Aging Programs	Family Court Counseling	Jail Assessment Fees	Bioterrorism Consortium	Dog License	Drivers Improvement	Park Dedication	Snowmobile/ATV Trails
<b>ASSETS</b>									
Treasurer's Cash and Investments	\$314,842	\$ -	\$ -	\$ 107,751	\$ -	\$ 24,480	\$ -	\$ 46,001	\$ 42,324
Departmental Cash and Investments	-	-	-	-	-	-	-	-	-
Taxes Receivable	110,040	163,178	-	-	-	-	-	-	-
Accounts Receivable	111,757	36,257	275	230	25,443	-	219	-	1,805
Due from Other Governmental Units	237,340	-	-	-	177,196	-	-	-	-
Long-Term Receivables	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$773,979</u>	<u>\$199,435</u>	<u>\$ 275</u>	<u>\$ 107,981</u>	<u>\$ 202,639</u>	<u>\$ 24,480</u>	<u>\$ 219</u>	<u>\$ 46,001</u>	<u>\$ 44,129</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Vouchers Payable	\$ 49,585	\$ 34,410	\$ -	\$ -	\$ 820	\$ 21,588	\$ -	\$ -	\$ 10,945
Accrued Wages Payable	45,860	20,536	-	-	13,857	-	-	-	-
Due to Other Funds	-	57,359	6,871	-	14,221	-	-	-	-
Deferred Revenues:									
Tax Levy	110,040	163,178	-	-	-	-	-	-	-
Long-Term Receivables	-	-	-	-	-	-	-	-	-
Other	237,340	-	-	-	191,197	-	-	-	-
Total Liabilities	<u>442,825</u>	<u>275,483</u>	<u>6,871</u>	<u>-</u>	<u>220,095</u>	<u>21,588</u>	<u>-</u>	<u>-</u>	<u>10,945</u>
<b>FUND BALANCES</b>									
Restricted	331,154	-	-	107,981	-	2,892	219	46,001	33,184
Unassigned	-	(76,048)	(6,596)	-	(17,456)	-	-	-	-
Total Fund Balances	<u>331,154</u>	<u>(76,048)</u>	<u>(6,596)</u>	<u>107,981</u>	<u>(17,456)</u>	<u>2,892</u>	<u>219</u>	<u>46,001</u>	<u>33,184</u>
Total Liabilities and Fund Balances	<u>\$773,979</u>	<u>\$199,435</u>	<u>\$ 275</u>	<u>\$ 107,981</u>	<u>\$ 202,639</u>	<u>\$ 24,480</u>	<u>\$ 219</u>	<u>\$ 46,001</u>	<u>\$ 44,129</u>

**POLK COUNTY, WISCONSIN  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2010**

Special Revenue Funds (Continued)

	State Aided Forestry Fund	Lake Improvement	Sanitary Systems Grants	Community Development Block Grant	County Sales Tax Fund	ADRC Fund	Criminal Justice Collaborative Fund	Total Special Revenue Funds
<b>ASSETS</b>								
Treasurer's Cash and Investments	\$ 13,670	\$ 91,364	\$ -	\$ -	\$ 65,627	\$ -	\$ 42,833	\$ 748,892
Departmental Cash and Investments	-	-	-	13,445	-	-	-	13,445
Taxes Receivable	-	-	-	-	-	-	-	273,218
Accounts Receivable	-	-	-	-	-	77,737	-	253,723
Due from Other Governmental Units	-	-	-	-	361,470	-	-	776,006
Long-Term Receivables	-	-	-	942,431	-	-	-	942,431
Total Assets	<u>\$ 13,670</u>	<u>\$ 91,364</u>	<u>\$ -</u>	<u>\$ 955,876</u>	<u>\$ 427,097</u>	<u>\$ 77,737</u>	<u>\$ 42,833</u>	<u>\$ 3,007,715</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Vouchers Payable	\$ 520	\$ -	\$ -	\$ -	\$ -	\$ 25,727	\$ 21	\$ 143,616
Accrued Wages Payable	-	-	-	-	-	23,640	-	103,893
Due to Other Funds	-	-	-	-	-	28,328	-	106,779
Deferred Revenues:								
Tax Levy	-	-	-	-	-	-	-	273,218
Long-Term Receivables	-	-	-	942,431	-	-	-	942,431
Other	-	-	-	-	-	-	-	428,537
Total Liabilities	<u>520</u>	<u>-</u>	<u>-</u>	<u>942,431</u>	<u>-</u>	<u>77,695</u>	<u>21</u>	<u>1,998,474</u>
<b>FUND BALANCES</b>								
Restricted	13,150	91,364	-	13,445	427,097	42	42,812	1,109,341
Unassigned	-	-	-	-	-	-	-	(100,100)
Total Fund Balances	<u>13,150</u>	<u>91,364</u>	<u>-</u>	<u>13,445</u>	<u>427,097</u>	<u>42</u>	<u>42,812</u>	<u>1,009,241</u>
Total Liabilities and Fund Balances	<u>\$ 13,670</u>	<u>\$ 91,364</u>	<u>\$ -</u>	<u>\$ 955,876</u>	<u>\$ 427,097</u>	<u>\$ 77,737</u>	<u>\$ 42,833</u>	<u>\$ 3,007,715</u>

**POLK COUNTY, WISCONSIN  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2010**

	Capital Project Funds						Total Nonmajor Governmental Funds
	Wireless 911 Grant Fund	Public Works Campus	2007 General Obligation Bonds	Johnson Controls Project	Kronos	Total Capital Projects Funds	
<b>ASSETS</b>							
Treasurer's Cash and Investments	\$ 2,645	\$ -	\$ 249,885	\$ -	\$ -	\$ 252,530	\$ 1,001,422
Departmental Cash and Investments	-	-	-	-	-	-	13,445
Taxes Receivable	-	-	-	-	-	-	273,218
Accounts Receivable	-	-	-	-	-	-	253,723
Due from Other Governmental Units	-	-	-	-	-	-	776,006
Long-Term Receivables	-	-	-	-	-	-	942,431
<b>Total Assets</b>	<b>\$ 2,645</b>	<b>\$ -</b>	<b>\$ 249,885</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 252,530</b>	<b>\$ 3,260,245</b>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>							
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,616
Accrued Wages Payable	2,645	-	-	-	-	2,645	106,538
Due to Other Funds	-	-	-	-	-	-	106,779
Deferred Revenues:							
Tax Levy	-	-	-	-	-	-	273,218
Long-Term Receivables	-	-	-	-	-	-	942,431
Other	-	-	-	-	-	-	428,537
<b>Total Liabilities</b>	<b>2,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,645</b>	<b>2,001,119</b>
<b>FUND BALANCES</b>							
Restricted	-	-	249,885	-	-	249,885	1,359,226
Unassigned	-	-	-	-	-	-	(100,100)
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>249,885</b>	<b>-</b>	<b>-</b>	<b>249,885</b>	<b>1,259,126</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,645</b>	<b>\$ -</b>	<b>\$ 249,885</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 252,530</b>	<b>\$ 3,260,245</b>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2010**

	Special Revenue Funds									
	Public Health	Aging Programs	Family Court Counseling	Jail Assessment Fees	Bioterrorism Consortium	Dog License	Drivers Improvement	Park Dedication	Snowmobile/ATV Trails	
<b>REVENUES</b>										
Taxes	\$ 135,625	\$ 139,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	669,960	448,743	-	-	439,242	-	-	-	-	192,227
Licenses and Permits	-	-	-	-	-	24,336	49,840	-	-	-
Fines, Forfeits and Penalties	-	-	-	46,138	-	-	-	-	-	-
Public Charges for Services	474,721	202,870	9,255	-	-	-	-	-	-	-
Miscellaneous:										
Interest	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,280,306</b>	<b>791,117</b>	<b>9,255</b>	<b>46,138</b>	<b>439,242</b>	<b>24,336</b>	<b>49,840</b>	<b>-</b>	<b>-</b>	<b>192,227</b>
<b>EXPENDITURES</b>										
General Government	-	-	10,953	-	-	-	-	-	-	-
Public Safety	-	-	-	-	401,481	-	-	-	-	-
Health and Human Services	1,207,663	879,030	-	-	-	23,444	-	-	-	-
Culture, Recreation and Education	-	-	-	-	-	-	-	8,760	159,746	-
Conservation and Development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,207,663</b>	<b>879,030</b>	<b>10,953</b>	<b>-</b>	<b>401,481</b>	<b>23,444</b>	<b>-</b>	<b>8,760</b>	<b>159,746</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>72,643</b>	<b>(87,913)</b>	<b>(1,698)</b>	<b>46,138</b>	<b>37,761</b>	<b>892</b>	<b>49,840</b>	<b>(8,760)</b>	<b>32,481</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfer In	-	-	-	-	-	-	-	-	-	-
Transfer Out	(16,398)	-	-	(30,000)	-	-	(52,850)	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(16,398)</b>	<b>-</b>	<b>-</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>	<b>(52,850)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>56,245</b>	<b>(87,913)</b>	<b>(1,698)</b>	<b>16,138</b>	<b>37,761</b>	<b>892</b>	<b>(3,010)</b>	<b>(8,760)</b>	<b>32,481</b>	<b>703</b>
Fund Balances (Deficits) - Beginning of Year	274,909	11,865	(4,998)	91,843	(55,217)	2,000	3,229	54,761	703	
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<b>\$ 331,154</b>	<b>\$ (76,048)</b>	<b>\$ (6,596)</b>	<b>\$ 107,981</b>	<b>\$ (17,456)</b>	<b>\$ 2,892</b>	<b>\$ 219</b>	<b>\$ 46,001</b>	<b>\$ 33,184</b>	<b>\$ -</b>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2010**

	Special Revenue Funds (Continued)							Total Special Revenue Funds
	State Aided Forestry Fund	Lake Improvement	Sanitary Systems Grants	Community Development Block Grant	County Sales Tax Fund	ADRC Fund	Criminal Justice Collaborative Fund	
<b>REVENUES</b>								
Taxes								
Intergovernmental	\$ 7,730	\$ -	\$ -	\$ -	\$ 2,353,827	\$ -	\$ -	\$ 2,636,686
Licenses and Permits	-	-	5,850	-	-	638,530	-	2,394,552
Fines, Forfeits and Penalties	-	-	-	-	-	-	-	74,176
Public Charges for Services	-	-	-	-	-	-	-	46,138
Miscellaneous:	-	-	-	-	-	-	-	686,846
Interest	-	-	-	1,517	-	-	-	1,517
Other	-	-	-	5,866	-	-	17,249	23,115
Total Revenues	7,730	-	5,850	7,383	2,353,827	638,530	17,249	5,863,030
<b>EXPENDITURES</b>								
General Government	-	-	-	-	-	-	-	10,953
Public Safety	-	-	-	-	-	-	32,055	433,536
Health and Human Services	-	-	-	-	-	633,839	-	2,743,976
Culture, Recreation and Education	-	-	-	-	-	-	-	168,506
Conservation and Development	-	-	-	-	-	-	-	29,034
Capital Outlay	12,004	-	5,850	11,180	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Principal Retirement	7,730	-	-	-	-	-	-	7,730
Total Expenditures	19,734	-	5,850	11,180	-	633,839	32,055	3,393,735
	(12,004)	-	-	(3,797)	2,353,827	4,691	(14,806)	2,469,295
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>								
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer In	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	(2,353,827)	-	-	(2,453,075)
Loan Proceeds	8,223	-	-	-	-	-	-	8,223
Total Other Financing Sources (Uses)	8,223	-	-	-	(2,353,827)	-	-	(2,444,852)
<b>NET CHANGE IN FUND BALANCES</b>	(3,781)	-	-	(3,797)	-	4,691	(14,806)	24,443
Fund Balances (Deficits) - Beginning of Year	16,931	91,364	-	17,242	427,097	(4,649)	57,618	984,798
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	\$ 13,150	\$ 91,364	\$ -	\$ 13,445	\$ 427,097	\$ 42	\$ 42,812	\$ 1,009,241

(Continued)

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**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2010**

	Wireless 911 Grant Fund	Capital Project Funds 2007				Total Capital Projects Funds	Total Nonmajor Governmental Funds
		Public Works Campus	General Obligation Bonds	Johnson Controls Project	Kronos		
<b>REVENUES</b>							
Taxes							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,636,686	
Licenses and Permits	-	-	-	-	-	2,394,552	
Fines, Forfeits and Penalties	-	-	-	-	-	74,176	
Public Charges for Services	-	-	-	-	-	46,138	
Miscellaneous:	-	-	-	-	-	686,846	
Interest	-	-	-	-	-		
Other	-	10,629	-	-	10,629	12,146	
Total Revenues	-	10,629	-	-	10,629	5,873,659	
<b>EXPENDITURES</b>							
General Government	4,945	-	1,250	2,340	8,535	19,488	
Public Safety	-	-	-	-	-	433,536	
Health and Human Services	-	-	-	-	-	2,743,976	
Culture, Recreation and Education	-	-	-	-	-	168,506	
Conservation and Development	-	-	-	-	-	29,034	
Capital Outlay	-	-	-	-	-		
Public Safety	87,541	-	-	-	87,541	87,541	
Transportation	-	34,735	-	-	34,735	34,735	
Debt Service	-	-	-	-	-		
Principal Retirement	-	-	-	-	-	7,730	
Total Expenditures	92,486	34,735	1,250	2,340	130,811	3,524,546	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(92,486)	(34,735)	(1,250)	(2,340)	(120,182)	2,349,113	
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer In	-	9,910	-	-	9,910	9,910	
Transfer Out	(127,177)	-	(22,478)	(254)	(1,668,907)	(4,121,982)	
Loan Proceeds	-	-	-	-	-	8,223	
Total Other Financing Sources (Uses)	(127,177)	9,910	(22,478)	(254)	(1,658,997)	(4,103,849)	
<b>NET CHANGE IN FUND BALANCES</b>	(219,663)	(24,825)	(23,728)	(2,594)	(1,779,179)	(1,754,736)	
Fund Balances (Deficits) - Beginning of Year	219,663	24,825	23,728	2,594	2,029,064	3,013,862	
<b>FUND BALANCES (DEFICITS) - END OF YEAR \$</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 249,885</b>	<b>\$ 1,259,126</b>	

**POLK COUNTY, WISCONSIN  
BALANCE SHEET  
PUBLIC HEALTH SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2010**

	Birth To Three	PolkADOT	WIC	Health Screening	Tobacco Coalition	Family Planning	MCH Car Seat	Immunization	Consolidated Grant Fund	Radon Grant Fund	Environmental Health Fund	Total
<b>ASSETS</b>												
Treasurer's Cash and Investments	\$ 51,532	\$ 22,352	\$ (31,311)	\$ 83,309	\$ 13,486	\$ 105,226	\$ 6,379	\$ (39,130)	\$ 25,488	\$ 1,041	\$ 76,470	\$ 314,842
Taxes Receivable	108,336	-	-	-	-	-	-	1,704	-	-	-	110,040
Accounts Receivable	12,261	-	43,515	2,830	28,334	26	-	24,754	14	2	21	111,757
Due from Other Governmental Units	3,228	-	92,593	4,241	74,630	-	-	-	58,831	3,817	-	237,340
<b>Total Assets</b>	<b>\$ 175,357</b>	<b>\$ 22,352</b>	<b>\$ 104,797</b>	<b>\$ 90,380</b>	<b>\$ 116,450</b>	<b>\$ 105,252</b>	<b>\$ 6,379</b>	<b>\$ (12,672)</b>	<b>\$ 84,333</b>	<b>\$ 4,860</b>	<b>\$ 76,491</b>	<b>\$ 773,979</b>
<b>LIABILITIES AND FUND BALANCES</b>												
<b>LIABILITIES</b>												
Vouchers Payable	\$ 3,773	\$ -	\$ 8,270	\$ 24,610	\$ 1,844	\$ 2,700	\$ -	\$ 40	\$ 7,194	\$ 838	\$ 316	\$ 49,585
Accrued Wages Payable	8,701	-	9,593	3,212	6,558	7,525	696	1,156	2,101	166	6,152	45,860
Deferred Revenue - Tax Levy	108,336	-	-	-	-	-	-	1,704	-	-	-	110,040
Deferred Revenue - Other	3,228	-	92,593	4,241	74,630	-	-	-	58,831	3,817	-	237,340
<b>Total Liabilities</b>	<b>124,038</b>	<b>-</b>	<b>110,456</b>	<b>32,063</b>	<b>83,032</b>	<b>10,225</b>	<b>696</b>	<b>2,900</b>	<b>68,126</b>	<b>4,821</b>	<b>6,468</b>	<b>442,825</b>
<b>FUND BALANCES (DEFICITS)</b>												
Restricted for Fund Purposes	51,319	22,352	(5,659)	58,317	33,418	95,027	5,683	(15,572)	16,207	39	70,023	331,154
<b>Total Liabilities and Fund Balance (Deficit)</b>	<b>\$ 175,357</b>	<b>\$ 22,352</b>	<b>\$ 104,797</b>	<b>\$ 90,380</b>	<b>\$ 116,450</b>	<b>\$ 105,252</b>	<b>\$ 6,379</b>	<b>\$ (12,672)</b>	<b>\$ 84,333</b>	<b>\$ 4,860</b>	<b>\$ 76,491</b>	<b>\$ 773,979</b>

**POLK COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**PUBLIC HEALTH SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2010**

	Birth To Three	PolkADOT	WIC	Health Screening	Tobacco Coalition	Family Planning	MCH Car Seat	Immunization	Consolidated Grant Fund	Radon Grant Fund	Environmental Health Fund	Total
<b>REVENUES</b>												
Taxes	\$ 124,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,425	\$ -	\$ -	\$ 5,500	\$ 135,625
Intergovernmental	97,677	-	272,785	-	161,820	48,018	15,850	1,331	64,844	7,635	-	669,960
Public Charges for Services	16,310	27,400	-	34,221	-	197,787	-	48,605	-	-	150,398	474,721
Total Revenues	<u>238,687</u>	<u>27,400</u>	<u>272,785</u>	<u>34,221</u>	<u>161,820</u>	<u>245,805</u>	<u>15,850</u>	<u>55,361</u>	<u>64,844</u>	<u>7,635</u>	<u>155,898</u>	<u>1,280,306</u>
<b>EXPENDITURES</b>												
Health and Human Services	220,087	6,319	245,806	54,603	158,288	201,966	16,626	70,239	58,245	8,685	166,799	1,207,663
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	18,600	21,081	26,979	(20,382)	3,532	43,839	(776)	(14,878)	6,599	(1,050)	(10,901)	72,643
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers Out	(16,398)	-	-	-	-	-	-	-	-	-	-	(16,398)
<b>NET CHANGE IN FUND BALANCES</b>	2,202	21,081	26,979	(20,382)	3,532	43,839	(776)	(14,878)	6,599	(1,050)	(10,901)	56,245
Fund Balance (Deficit) - Beginning of Year	49,117	1,271	(32,638)	78,699	29,886	51,188	6,459	(694)	9,608	1,089	80,924	274,909
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 51,319</u>	<u>\$ 22,352</u>	<u>\$ (5,659)</u>	<u>\$ 58,317</u>	<u>\$ 33,418</u>	<u>\$ 95,027</u>	<u>\$ 5,683</u>	<u>\$ (15,572)</u>	<u>\$ 16,207</u>	<u>\$ 39</u>	<u>\$ 70,023</u>	<u>\$ 331,154</u>

**POLK COUNTY, WISCONSIN  
COMBINING BALANCE SHEET  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2010**

	Highway Department	Health Insurance Fund	Totals
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Treasurer's Cash and Investments	\$ 2,094,443	\$ 907,350	\$ 3,001,793
Petty Cash Funds	200	-	200
Accounts Receivable	10,643	-	10,643
Due from Other Governmental Units	652,297	-	652,297
Inventory	495,690	-	495,690
Total Current Assets	3,253,273	907,350	4,160,623
<b>NONCURRENT ASSETS</b>			
Capital Assets Not Being Depreciated	17,719	-	17,719
Capital Assets Being Depreciated	8,878,396	-	8,878,396
Less: Accumulated Depreciation	4,240,845	-	4,240,845
Net Capital Assets	4,655,270	-	4,655,270
Total Assets	7,908,543	907,350	8,815,893
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Vouchers and Accounts Payable	344,432	524,755	869,187
Deferred Revenue	65,724	107	65,831
Accrued Wages Payable	167,085	-	167,085
Accrued Interest Payable	1,545	-	1,545
Capital Lease Payable	31,470	-	31,470
Accrued Employee Leave	198,586	-	198,586
Total Current Liabilities	808,842	524,862	1,333,704
<b>LONG-TERM LIABILITIES, (Net of Current Portion)</b>			
Capital Leases Payable	32,996	-	32,996
Accrued Employee Leave	44,873	-	44,873
Total Long-Term Liabilities	77,869	-	77,869
Total Liabilities	886,711	524,862	1,411,573
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	4,590,804	-	4,590,804
Unrestricted	2,431,028	382,488	2,813,516
Total Net Assets	\$ 7,021,832	\$ 382,488	\$ 7,404,320

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2010**

	Highway Department	Self-Funded Health Insurance	Totals
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 6,141,527	\$ 4,538,239	\$ 10,679,766
Other	50,617	867,321	917,938
Total Operating Revenues	<u>6,192,144</u>	<u>5,405,560</u>	<u>11,597,704</u>
<b>OPERATING EXPENSES</b>			
Transportation	7,147,020	-	7,147,020
Premiums and Claims	-	6,193,789	6,193,789
Administrative and General Expenses	347,541	-	347,541
Total Operating Expenses	<u>7,494,561</u>	<u>6,193,789</u>	<u>13,688,350</u>
<b>OPERATING INCOME (LOSS)</b>	(1,302,417)	(788,229)	(2,090,646)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Expense	<u>(5,299)</u>	<u>-</u>	<u>(5,299)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(1,307,716)	(788,229)	(2,095,945)
Transfers In	<u>1,122,589</u>	<u>-</u>	<u>1,122,589</u>
<b>CHANGE IN NET ASSETS</b>	(185,127)	(788,229)	(973,356)
Net Assets - Beginning of Year	<u>7,206,959</u>	<u>1,170,717</u>	<u>8,377,676</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 7,021,832</u></u>	<u><u>\$ 382,488</u></u>	<u><u>\$ 7,404,320</u></u>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2010**

	Highway Department	Health Insurance Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received for Services Provided	\$ 6,204,700	\$ 5,450,081	\$ 11,654,781
Cash Paid to Suppliers for Goods and Services	(3,450,045)	(6,261,314)	(9,711,359)
Cash Paid for Employee Services	(3,142,833)	-	(3,142,833)
Net Cash Provided (Used) by Operating Activities	<u>(388,178)</u>	<u>(811,233)</u>	<u>(1,199,411)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	1,122,589	-	1,122,589
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal Paid on Capital Leases	(30,014)	-	(30,014)
Interest Paid on Capital Leases	(6,018)	-	(6,018)
Cash Received from Sale of Capital Assets	15,222	-	15,222
Cash Paid for Acquisition of Capital Assets	(1,174,973)	-	(1,174,973)
Net Cash Used for Capital and Related Financing Activities	<u>(1,195,783)</u>	<u>-</u>	<u>(1,195,783)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(461,372)	(811,233)	(1,272,605)
Cash and Cash Equivalents - Beginning of Year	<u>2,556,015</u>	<u>1,718,583</u>	<u>4,274,598</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,094,643</u>	<u>\$ 907,350</u>	<u>\$ 3,001,993</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$(1,302,417)	\$ (788,229)	\$ (2,090,646)
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	506,895	-	506,895
Change in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	(6,709)	-	(6,709)
Decrease (Increase) in Due from Other Governmental Units	(24,723)	-	(24,723)
Decrease (Increase) in Inventory	9,016	-	9,016
Decrease (Increase) in Prepaid Items	149,000	-	149,000
Increase (Decrease) in Accounts Payable	216,612	(67,525)	149,087
Increase (Decrease) in Deferred Revenue	43,988	44,521	88,509
Increase (Decrease) in Wages Payable	13,408	-	13,408
Increase (Decrease) in Accrued Employee Leave	6,752	-	6,752
Net Cash Provided (Used) by Operating Activities	<u>\$ (388,178)</u>	<u>\$ (811,233)</u>	<u>\$ (1,199,411)</u>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES – ALL AGENCY FUNDS  
YEAR ENDED DECEMBER 31, 2010**

	<u>Balance</u> <u>January 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2010</u>
<b>District Attorney</b>				
<b><u>Assets</u></b>				
Cash and Pooled Investments	\$ 1,342	\$ 84,563	\$ 70,963	\$ 14,942
<b><u>Liabilities</u></b>				
Special Deposits	\$ 1,342	\$ 84,563	\$ 70,963	\$ 14,942
<b>Treasurer</b>				
<b><u>Assets</u></b>				
Cash and Pooled Investments	\$ 361,334	\$ 6,241,441	\$ 6,381,117	\$ 221,658
<b><u>Liabilities</u></b>				
Due to Other Governments	\$ 361,334	\$ 6,241,441	\$ 6,381,117	\$ 221,658
<b>Circuit Court</b>				
<b><u>Assets</u></b>				
Cash and Pooled Investments	\$ 506,839	\$ 2,685,660	\$ 2,612,054	\$ 580,445
<b><u>Liabilities</u></b>				
Special Deposits	\$ 506,839	\$ 2,685,660	\$ 2,612,054	\$ 580,445
<b>Tax Agency</b>				
<b><u>Assets</u></b>				
Cash and Pooled Investments	\$ (12,871)	\$ 40,159,852	\$ 40,135,001	\$ 11,980
Taxes Receivable	823,626	22,377,009	22,429,329	771,306
Tax Certificates	86,252	-	-	86,252
Special Assessments	331	-	-	331
Due from Other Governments	13,180	-	13,180	-
<b>Total Assets</b>	<b>\$ 910,518</b>	<b>\$ 62,536,861</b>	<b>\$ 62,577,510</b>	<b>\$ 869,869</b>
<b><u>Liabilities</u></b>				
Due to Other Funds	\$ -	\$ 771,306	\$ 771,306	\$ -
Due to Other Governments	823,935	61,765,555	61,806,204	783,286
District/State Equities & Uncollected Taxes	86,583	-	-	86,583
<b>Total Liabilities</b>	<b>\$ 910,518</b>	<b>\$ 62,536,861</b>	<b>\$ 62,577,510</b>	<b>\$ 869,869</b>

**POLK COUNTY, WISCONSIN  
COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES – ALL AGENCY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

	<u>Balance</u> <u>January 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2010</u>
<b>Sheriff</b>				
<b><u>Assets</u></b>				
Cash and Pooled Investments	\$ 8,008	\$ 200,191	\$ 199,203	\$ 8,996
<b><u>Liabilities</u></b>				
Special Deposits	\$ 8,008	\$ 200,191	\$ 199,203	\$ 8,996
<b>Total Agency Funds</b>				
<b><u>Assets</u></b>				
Cash and Pooled Investments	\$ 864,652	\$ 49,371,707	\$ 49,398,338	\$ 838,021
Taxes Receivable	823,626	22,377,009	22,429,329	771,306
Tax Certificates	86,252	-	-	86,252
Special Assessments	331	-	-	331
Due from Other Governments	13,180	-	13,180	-
<b>Total Assets</b>	<b>\$ 1,788,041</b>	<b>\$ 71,748,716</b>	<b>\$ 71,840,847</b>	<b>\$ 1,695,910</b>
<b><u>Liabilities</u></b>				
Due to Other Funds	\$ -	\$ 771,306	\$ 771,306	\$ -
Due to Other Governments	1,185,269	68,006,996	68,187,321	1,004,944
Special Deposits	516,189	2,970,414	2,882,220	604,383
District/State Equities & Uncollected Taxes	86,583	-	-	86,583
<b>Total Liabilities</b>	<b>\$ 1,788,041</b>	<b>\$ 71,748,716</b>	<b>\$ 71,840,847</b>	<b>\$ 1,695,910</b>

**STATISTICAL SECTION (UNAUDITED)**

## STATISTICAL INFORMATION SECTION (UNAUDITED)

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

### CONTENTS

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

#### **Revenue Capacity**

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

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities</b>								
Invested in Capital Assets, Net of Related Debt	\$ 45,092,711	\$ 45,999,384	\$ 41,455,678	\$ 46,730,441	\$ 41,266,442	\$ 46,207,346	\$ 48,488,858	\$ 51,858,738
Restricted	841,558	2,790,913	7,068,909	3,996,100	4,665,633	6,081,467	5,505,652	4,343,713
Unrestricted	7,613,950	6,361,295	9,214,409	9,284,786	13,167,400	10,452,228	10,609,059	12,494,772
<b>Total Governmental Activities Net Assets</b>	<b>\$ 53,548,219</b>	<b>\$ 55,151,592</b>	<b>\$ 57,738,996</b>	<b>\$ 60,011,327</b>	<b>\$ 59,099,475</b>	<b>\$ 62,741,041</b>	<b>\$ 64,603,569</b>	<b>\$ 68,697,223</b>
<b>Business-Type Activities</b>								
Invested in Capital Assets, Net of Related Debt	\$ 1,728,051	\$ 1,790,920	\$ 1,703,099	\$ 1,972,013	\$ 1,827,263	\$ 2,484,395	\$ 2,613,636	\$ 2,577,897
Restricted	52,290	156,786	246,481	7,278	9,416	8,554	8,363	9,416
Unrestricted	(90,245)	(368,440)	338,486	(190,217)	516,188	464,555	(171,492)	(523,487)
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 1,690,096</b>	<b>\$ 1,579,266</b>	<b>\$ 2,288,066</b>	<b>\$ 1,789,074</b>	<b>\$ 2,352,867</b>	<b>\$ 2,957,504</b>	<b>\$ 2,450,507</b>	<b>\$ 2,063,826</b>
<b>Primary Government</b>								
Invested in Capital Assets, Net of Related Debt	\$ 46,820,762	\$ 47,790,304	\$ 43,158,777	\$ 48,702,454	\$ 43,093,705	\$ 48,691,741	\$ 51,102,494	\$ 54,436,635
Restricted	893,848	2,947,699	7,315,390	4,003,378	4,675,049	6,090,021	5,514,015	4,353,129
Unrestricted	7,523,705	5,992,855	9,552,895	9,094,569	13,683,588	10,916,783	10,437,567	11,971,285
<b>Total Primary Government Net Assets</b>	<b>\$ 55,238,315</b>	<b>\$ 56,730,858</b>	<b>\$ 60,027,062</b>	<b>\$ 61,800,401</b>	<b>\$ 61,452,342</b>	<b>\$ 65,698,545</b>	<b>\$ 67,054,076</b>	<b>\$ 70,761,049</b>

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

**Note:** Accrual-basis financial information for the County government as a whole is available back to 2003 only, the year GASB 34 was implemented.

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>								
Governmental Activities:								
General Government	\$ 4,904,177	\$ 4,636,856	\$ 4,834,543	\$ 5,352,721	\$ 5,470,041	\$ 6,426,286	\$ 5,733,530	\$ 5,507,320
Public Safety	5,919,474	6,928,040	7,237,714	7,776,461	8,180,089	8,167,662	8,631,257	8,780,818
Highways and Streets (Transportation)	6,654,820	6,278,093	6,008,417	6,557,830	3,841,920	2,310,324	3,798,082	3,019,534
Sanitation	449,897	554,590	526,447	640,739	540,487	637,182	549,887	666,128
Health and Human Services	15,080,360	15,803,056	16,665,564	16,707,944	18,144,081	19,363,901	16,876,948	16,319,148
Culture, Recreation, and Education	1,009,779	1,038,349	1,213,937	1,290,621	1,173,784	1,125,183	1,254,068	1,334,688
Conservation and Development	1,943,118	1,561,319	1,983,740	1,855,069	3,307,960	2,101,770	2,468,742	1,857,848
Interest and Fiscal Charges	1,370,754	1,371,862	1,145,864	1,495,782	1,425,633	1,532,154	1,456,759	1,369,263
Total Governmental Activities Expenses	<u>37,332,379</u>	<u>38,172,165</u>	<u>39,616,226</u>	<u>41,677,167</u>	<u>42,083,995</u>	<u>41,664,462</u>	<u>40,769,273</u>	<u>38,854,747</u>
Business-Type Activities:								
Nursing Home	6,454,996	6,699,173	6,766,674	6,684,569	6,834,530	6,928,868	7,284,381	7,849,407
Lime Fund	519,578	581,512	546,184	570,237	523,753	604,804	422,303	446,771
Total Business-Type Activities Expenses	<u>6,974,574</u>	<u>7,280,685</u>	<u>7,312,858</u>	<u>7,254,806</u>	<u>7,358,283</u>	<u>7,533,672</u>	<u>7,706,684</u>	<u>8,296,178</u>
Total Primary Government Expenses	<u>\$ 44,306,953</u>	<u>\$ 45,452,850</u>	<u>\$ 46,929,084</u>	<u>\$ 48,931,973</u>	<u>\$ 49,442,278</u>	<u>\$ 49,198,134</u>	<u>\$ 48,475,957</u>	<u>\$ 47,150,925</u>
<b>Program Revenues</b>								
Governmental Activities:								
Charges for Services								
General Government	\$ 1,000,960	\$ 915,851	\$ 948,377	\$ 1,420,293	\$ 884,035	\$ 990,568	\$ 955,304	\$ 922,565
Public Safety	569,608	706,047	963,255	660,882	761,165	577,491	532,307	490,346
Highways and Streets (Transportation)	1,898,519	1,700,971	2,236,294	2,264,197	-	-	-	-
Sanitation	334,253	460,554	493,888	436,322	456,805	442,283	324,405	429,287
Health and Human Services	2,507,788	2,900,307	2,893,139	2,520,216	3,933,413	4,265,691	3,816,849	3,415,937
Culture, Recreation, and Education	40,817	53,770	138,766	49,630	7,875	9,228	13,956	14,085
Conservation and Development	511,741	624,490	480,002	643,445	649,037	564,543	425,047	598,995
Operating Grants and Contributions	12,028,624	12,921,815	13,040,076	13,053,621	11,779,062	12,295,347	10,260,542	10,520,776
Capital Grants and Contributions	-	571,135	773,249	476,977	144,889	432,327	206,698	-
Total Governmental Activities Program Revenues	<u>18,892,310</u>	<u>20,854,940</u>	<u>21,967,046</u>	<u>21,525,583</u>	<u>18,616,281</u>	<u>19,577,478</u>	<u>16,535,108</u>	<u>16,391,991</u>

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Program Revenues (Continued)</b>								
Business-Type Activities:								
Charges for Services	\$ 5,326,364	\$ 5,526,423	\$ 5,723,068	\$ 5,862,082	\$ 6,030,222	\$ 6,436,210	\$ 6,665,519	\$ 6,713,618
Nursing Home	799,322	908,691	738,718	593,509	595,678	645,209	439,408	466,864
Lime Operations	1,041,192	887,157	724,036	426,488	626,132	1,062,323	682,594	782,927
Operating Grants and Contributions	-	-	-	-	-	-	121,782	123,548
Capital Grants and Contributions	7,166,878	7,322,271	7,185,822	6,882,079	7,252,032	8,143,742	7,909,303	8,086,957
Total Business-Type Activities Program Revenues	\$ 26,059,188	\$ 28,177,211	\$ 29,152,868	\$ 28,407,662	\$ 25,868,313	\$ 27,721,220	\$ 24,444,411	\$ 24,478,948
Total Primary Government Program Revenues	\$ (18,440,069)	\$ (17,317,225)	\$ (17,649,180)	\$ (20,151,584)	\$ (23,467,714)	\$ (22,086,984)	\$ (24,234,165)	\$ (22,462,756)
Governmental Activities	192,304	41,586	(127,036)	(372,727)	(106,251)	610,070	202,619	(209,221)
Business-Type Activities	\$ (18,247,765)	\$ (17,275,639)	\$ (17,776,216)	\$ (20,524,311)	\$ (23,573,965)	\$ (21,476,914)	\$ (24,031,546)	\$ (22,671,977)
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental Activities:								
Property Taxes	\$ 13,167,025	\$ 14,154,472	\$ 15,835,840	\$ 16,588,575	\$ 17,371,757	\$ 19,782,472	\$ 20,149,085	\$ 21,171,147
Sales Tax	1,978,234	2,305,554	2,404,386	2,325,915	2,364,052	2,349,149	2,178,514	2,363,827
Other Taxes	476,651	553,605	613,468	581,223	566,036	552,252	635,737	917,729
State and Federal Aids not Restricted to Specific Programs	871,131	720,855	733,277	731,873	943,732	1,034,960	1,006,885	926,775
Interest and Investment Earnings	247,283	199,621	512,636	1,080,779	970,661	746,581	446,870	184,439
Miscellaneous (Other)	739,804	794,020	843,547	965,550	934,937	1,211,305	879,602	802,493
Transfers	50,000	150,000	(706,570)	150,000	(593,482)	50,000	800,000	200,000
Total Governmental Activities	16,623,937	18,878,127	20,236,584	22,423,915	22,557,693	25,726,719	26,096,693	26,556,410
Business-Type Activities:								
Interest & Investment earnings	-	-	-	277	151	54	56	112
Miscellaneous (Other)	38,898	40,055	129,266	23,458	74,580	46,344	90,328	22,428
Transfers	(50,000)	(150,000)	706,570	(150,000)	593,482	(50,000)	(800,000)	(200,000)
Total Business-Type Activities	(11,102)	(109,945)	835,836	(126,265)	668,213	(3,602)	(709,616)	(177,460)
Total Primary Government	\$ 16,612,835	\$ 18,768,182	\$ 21,072,420	\$ 22,297,650	\$ 23,225,906	\$ 25,723,117	\$ 25,387,077	\$ 26,378,950
Change in Net Assets	\$ (1,816,132)	\$ 1,560,902	\$ 2,587,404	\$ 2,272,331	\$ (910,021)	\$ 3,639,735	\$ 1,862,528	\$ 4,093,654
Governmental Activities	181,202	(68,359)	708,800	(498,992)	561,962	606,468	(506,997)	(386,681)
Business-Type Activities	\$ (1,634,930)	\$ 1,492,543	\$ 3,296,204	\$ 1,773,339	\$ (348,059)	\$ 4,246,203	\$ 1,355,531	\$ 3,706,973

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

**Note:** Accrual-basis financial information for the County government as a whole is available back to 2003 only, the year GASB 34 was implemented.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,557,869
Restricted (Reserved 2001 - 2009)	2,316,957	2,958,144	2,516,520	3,086,988	2,333,609	2,466,608	2,864,044	4,887,963	6,297,290	157,907
Committed	-	-	-	-	-	-	-	-	-	227,429
Assigned (Designated (2001 - 2009))	751,318	773,989	637,061	650,559	1,208,708	1,686,316	-	-	854,379	18,887
Unassigned (Undesignated (2001 - 2009))	3,892,551	3,477,976	3,571,218	3,273,754	3,721,002	4,484,426	5,358,447	4,118,693	2,878,036	6,635,325
<b>Total General Fund</b>	<b>\$ 6,960,826</b>	<b>\$ 7,210,109</b>	<b>\$ 6,724,799</b>	<b>\$ 7,011,301</b>	<b>\$ 7,263,319</b>	<b>\$ 8,637,350</b>	<b>\$ 8,222,491</b>	<b>\$ 9,006,656</b>	<b>\$ 10,029,705</b>	<b>\$ 12,597,417</b>
<b>All Other Government Funds</b>										
Restricted (Reserved 2001 - 2009)	\$ 498,149	\$ 718,619	\$ 346,853	\$ 302,407	\$ 641,793	\$ 427,097	\$ 427,097	\$ 427,097	\$ 484,715	\$ 1,109,341
Special Revenue Funds	-	-	-	-	-	-	-	-	208,954	210,238
Debt Service Fund	-	-	-	-	-	-	-	-	-	249,885
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Assigned (Designated 2001 - 2009)	485,327	496,113	566,503	739,708	1,303,457	1,208,386	938,135	1,365,634	564,847	-
Special Revenue Funds	211,000	-	8,048	50,209	59,321	27,327	127,745	120,625	-	-
Debt Service Funds	7,018,108	6,240,950	308,036	-	4,374,343	1,458,206	4,509,533	2,682,383	2,002,742	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Unassigned (Undesignated 2001 - 2009)	-	-	-	-	-	-	(57,579)	(4,917)	(64,764)	(100,100)
Special Revenue Funds	-	-	-	-	-	-	-	(91,478)	26,322	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Government Funds</b>	<b>\$ 8,212,584</b>	<b>\$ 7,455,682</b>	<b>\$ 1,229,440</b>	<b>\$ 1,092,324</b>	<b>\$ 6,378,914</b>	<b>\$ 3,121,016</b>	<b>\$ 5,944,931</b>	<b>\$ 4,499,344</b>	<b>\$ 3,222,816</b>	<b>\$ 1,469,364</b>

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

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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$12,931,575	\$15,096,051	\$15,621,910	\$17,013,631	\$18,853,694	\$19,495,713	\$20,401,122	\$22,793,100	\$23,017,227	\$24,448,405
Intergovernmental	12,064,089	11,491,184	12,829,519	14,333,722	14,621,779	14,154,843	12,853,361	14,228,871	11,424,333	10,843,688
Licenses and Permits	248,739	305,054	418,787	489,378	610,678	556,246	400,730	352,188	345,693	346,787
Fines and Forfeits	252,956	290,040	294,773	315,400	303,903	271,497	296,075	304,443	200,019	174,802
Public Charges for Services	3,078,368	3,729,709	3,980,813	4,602,921	4,739,049	4,467,305	5,822,600	5,905,314	5,214,784	4,936,560
Intergovernmental Charges for Services	131,031	154,152	197,180	175,148	220,625	671,850	163,879	222,013	262,856	244,316
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interest	-	-	243,287	195,341	500,561	1,014,265	962,241	734,245	440,389	180,040
Rent	-	-	194,649	298,472	319,860	347,769	311,078	315,473	256,725	249,065
Donations	-	-	-	51,154	49,574	-	-	-	-	-
Other	1,982,570	1,112,441	909,838	911,295	832,875	768,053	554,566	623,548	657,964	639,666
<b>Total Revenues</b>	<b>30,689,328</b>	<b>32,178,631</b>	<b>34,690,756</b>	<b>38,386,462</b>	<b>41,052,598</b>	<b>41,747,541</b>	<b>41,765,652</b>	<b>45,479,195</b>	<b>41,819,990</b>	<b>42,063,329</b>
<b>Expenditures</b>										
General Government	6,904,090	10,085,665	8,537,518	4,831,418	4,783,903	5,413,330	5,415,332	5,939,748	5,564,733	5,465,416
Public Safety	10,668,929	11,990,016	7,880,417	6,608,180	8,067,462	10,651,816	7,173,053	7,283,881	7,295,803	7,318,040
Highways and Streets (Transportation)	3,969,265	3,914,373	4,364,648	3,530,766	4,631,400	4,623,548	3,808,917	5,279,370	4,388,483	4,114,719
Sanitation	377,267	429,761	409,725	494,450	508,080	556,242	521,563	586,046	540,805	566,838
Health and Human Services	13,904,148	14,302,771	15,155,921	16,102,189	16,806,591	16,645,492	17,676,026	18,939,148	16,259,546	15,611,398
Culture and Recreation	975,656	990,608	1,001,764	1,018,383	1,092,279	1,223,930	1,195,621	1,338,301	1,342,130	1,330,898
Conservation and Development	1,762,987	1,907,961	2,221,761	3,515,599	2,112,990	1,901,047	2,464,990	2,043,575	2,418,535	1,735,431
Capital Outlay	-	-	-	-	-	-	748,278	999,107	385,107	122,276
Debt Service:										
Principal	-	125,546	531,748	918,006	1,275,000	1,240,000	1,726,274	2,014,946	2,335,335	2,696,627
Retirement of Pension Related Debt	24,398	-	2,112,767	-	-	-	-	-	-	-
Interest	652,369	1,144,549	1,352,383	1,368,085	1,056,207	1,524,189	1,425,193	1,498,780	1,432,637	1,373,060
Other Charges	-	-	33,656	-	189,516	1,814	59,387	2,172	-	-
<b>Total Expenditures</b>	<b>39,239,109</b>	<b>44,891,250</b>	<b>43,602,308</b>	<b>38,387,076</b>	<b>40,523,428</b>	<b>43,781,408</b>	<b>42,213,634</b>	<b>45,925,074</b>	<b>41,963,114</b>	<b>40,334,703</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(8,549,781)</b>	<b>(12,712,619)</b>	<b>(8,911,552)</b>	<b>(614)</b>	<b>529,170</b>	<b>(2,033,867)</b>	<b>(447,982)</b>	<b>(445,879)</b>	<b>(143,124)</b>	<b>1,728,626</b>

Unaudited

(87)

(Continued)

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 3,030,079	\$ 2,556,871	\$ 2,657,114	\$ 2,681,451	\$ 2,628,768	\$ 3,409,025	\$ 2,680,012	\$ 4,608,714	\$ 6,011,988	\$ 3,471,302
Transfers Out	(3,655,079)	(2,506,871)	(2,607,114)	(2,531,451)	(3,335,338)	(3,259,025)	(3,418,219)	(5,432,480)	(6,395,566)	(4,393,891)
Long-Term Debt Issued	16,515,000	12,155,000	2,150,000	-	24,100,000	-	3,500,000	608,223	273,223	8,223
Premium on Issuance of Debt	-	-	-	-	1,391,809	-	95,245	-	-	-
Payment to Escrow Agent	-	-	-	-	(19,775,801)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>15,890,000</u>	<u>12,205,000</u>	<u>2,200,000</u>	<u>150,000</u>	<u>5,009,438</u>	<u>150,000</u>	<u>2,857,038</u>	<u>(215,543)</u>	<u>(110,355)</u>	<u>(914,366)</u>
Net Change in Fund Balances	<u>\$ 7,340,219</u>	<u>\$ (507,619)</u>	<u>\$ (6,711,552)</u>	<u>\$ 149,386</u>	<u>\$ 5,538,608</u>	<u>\$ (1,883,867)</u>	<u>\$ 2,409,056</u>	<u>\$ (661,422)</u>	<u>\$ (253,479)</u>	<u>\$ 814,260</u>
Debt Service as a Percentage of Noncapital Expenditures	1.66%	2.83%	4.40%	5.96%	6.22%	6.32%	7.74%	7.83%	9.06%	11.48%

Source Polk County, Wisconsin Department of Administration.

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

Fiscal Year	Residential	Commercial	Manufacturing	Agricultural	Undeveloped	Forest	Other	Personal Property	Total	Total	Total	
	Equalized Value	Equalized Value	Equalized Value	Equalized Value	Equalized Value	Equalized Value	Equalized Value	Equalized Value	Equalized Value	Equalized Value	Excl. TID	Direct Tax Rate
2001	\$ 1,743,392,300	\$ 171,262,100	\$ 56,634,900	\$ 73,697,600	\$ 24,637,500	\$ 165,688,400	\$ 106,072,100	\$ 34,433,500	\$ 2,375,818,400	\$ 2,375,818,400	not available	4.61
2002	2,043,807,900	190,440,500	58,746,700	72,910,400	37,575,100	203,116,800	110,968,700	35,808,500	2,753,374,600	2,753,374,600	2,679,781,950	4.64
2003	2,357,076,700	219,361,300	66,213,300	41,137,800	49,152,000	233,061,600	107,771,800	36,720,000	3,110,494,500	3,110,494,500	3,029,463,950	4.35
2004	2,628,010,700	235,251,800	71,021,900	32,024,400	58,299,100	267,904,400	105,407,800	40,599,700	3,438,519,800	3,438,519,800	3,353,180,100	4.22
2005	2,984,740,300	249,738,400	75,581,400	31,827,900	39,116,700	301,590,900	112,893,600	42,068,000	3,837,557,200	3,837,557,200	3,753,151,400	4.22
2006	3,373,148,900	274,874,700	77,766,500	31,204,800	36,800,800	315,492,800	118,668,100	46,070,100	4,274,026,700	4,274,026,700	4,176,942,500	3.97
2007	3,744,121,400	304,359,000	78,688,700	33,258,100	48,290,600	345,389,700	119,978,700	50,498,900	4,724,585,100	4,724,585,100	4,614,309,200	3.77
2008	3,939,230,800	324,504,200	84,940,200	35,610,400	52,148,300	373,222,400	123,657,500	55,721,700	4,989,035,500	4,989,035,500	4,872,444,200	4.06
2009	3,982,446,200	342,068,500	87,383,800	36,981,100	52,049,500	376,293,900	123,048,500	61,609,600	5,061,881,100	5,061,881,100	4,942,198,400	4.08
2010	3,784,739,800	338,732,100	92,266,300	37,874,800	49,880,300	356,456,500	128,697,800	63,872,300	4,852,519,900	4,852,519,900	4,733,746,500	4.47

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

**Notes:** Total Equalized Value based on County's debt limit WI Statutes restricts to 5%.

The equalized value is prepared by the Wisconsin Department of Revenue, Bureau of Property Tax. These values include Tax Increment Districts (TID) which are not included in the taxable property upon which County taxes are levied.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>DIRECT PROPERTY TAX RATES</b>										
Operating Levy	\$ 4.34	\$ 4.15	\$ 3.68	\$ 3.49	\$ 3.53	\$ 3.25	\$ 3.04	\$ 3.32	\$ 3.29	\$ 3.58
Debt Levy	0.10	0.32	0.52	0.58	0.55	0.57	0.60	0.60	0.68	0.78
Special Purpose Levy	0.17	0.17	0.15	0.15	0.14	0.15	0.13	0.14	0.11	0.11
<b>Total Direct County Tax Rate</b>	<b>\$ 4.61</b>	<b>\$ 4.64</b>	<b>\$ 4.35</b>	<b>\$ 4.22</b>	<b>\$ 4.22</b>	<b>\$ 3.97</b>	<b>\$ 3.77</b>	<b>\$ 4.06</b>	<b>\$ 4.08</b>	<b>\$ 4.47</b>

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

<b>Cities of:</b>										
Amery	\$ 24.79	\$ 24.60	\$ 24.44	\$ 23.55	\$ 22.31	\$ 21.33	\$ 20.99	\$ 22.13	\$ 22.52	\$ 24.93
St Croix Falls	24.40	22.07	21.40	20.05	19.54	18.73	18.06	18.47	18.88	20.21
<b>Villages of:</b>										
Balsam Lake	21.19	20.08	19.96	19.47	18.73	17.09	16.60	17.68	18.00	19.54
Centuria	20.68	19.52	18.94	18.72	18.07	17.58	17.54	18.12	19.02	20.83
Clayton	26.40	26.06	23.89	23.38	23.13	22.61	21.03	22.05	22.55	23.97
Clear Lake	21.57	21.46	20.84	19.89	20.05	18.11	17.14	18.61	19.03	20.48
Dresser	23.38	22.62	21.66	20.33	20.42	20.52	19.65	20.18	20.73	22.54
Frederic	25.31	25.73	24.81	22.70	20.04	21.94	21.57	20.72	20.76	23.09
Luck	21.11	21.31	19.44	19.76	20.54	19.99	18.99	19.96	20.74	22.57
Milltown	25.03	23.89	22.43	22.10	21.28	19.89	19.50	20.35	21.55	23.92
Osceola	21.24	21.87	21.15	19.17	18.99	18.52	17.33	17.58	17.89	18.67
Turtle Lake	28.56	26.30	26.84	26.34	27.26	26.69	25.04	21.47	21.27	22.71

**POLK COUNTY, WISCONSIN  
DIRECT AND OVERLAPPING GOVERNMENT (CONTINUED)  
TAXES PAYABLE IN 2010 AND TEN YEARS AGO**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Towns of:</b>										
Alden	\$ 18.72	\$ 18.00	\$ 17.22	\$ 16.50	\$ 16.59	\$ 15.94	\$ 15.19	\$ 15.74	\$ 15.94	\$ 16.94
Apple River	17.17	16.63	16.57	15.92	15.68	14.38	14.21	15.19	15.58	17.22
Balsam Lake	16.42	15.55	15.11	14.79	14.65	13.91	13.61	14.23	14.76	16.12
Beaver	17.73	16.82	16.87	16.69	16.88	15.64	14.79	14.73	15.46	16.43
Black Brook	19.43	19.01	18.38	17.59	17.67	16.18	15.77	17.10	17.25	18.99
Bone Lake	16.02	16.25	15.19	15.40	15.77	15.25	14.41	15.07	15.25	16.82
Clam Falls	19.29	19.75	21.25	19.27	18.98	19.00	19.24	18.07	17.78	20.05
Clayton	20.89	20.00	20.42	20.04	19.53	18.11	17.02	17.76	17.99	19.75
Clear Lake	19.48	18.89	18.42	17.51	17.25	14.95	15.08	17.83	18.11	19.92
Eureka	18.44	17.22	16.66	15.75	16.24	15.58	15.06	15.42	16.02	17.60
Farmington	19.01	18.10	17.41	16.59	16.69	16.09	15.12	15.11	15.32	15.85
Garfield	17.95	17.57	17.52	16.45	16.39	15.49	15.28	16.38	16.66	18.42
Georgetown	15.67	15.15	14.95	14.78	14.49	13.35	13.28	13.89	14.50	15.87
Johnstown	17.81	16.81	16.47	16.39	16.48	15.20	14.33	14.24	14.86	15.87
Laketown	17.22	17.29	16.38	16.75	17.26	16.59	15.65	16.31	16.81	18.22
Lincoln	16.75	17.02	16.81	16.37	16.29	15.36	15.17	16.55	16.84	18.86
Lorain	18.25	19.05	18.91	17.33	16.52	16.34	16.55	15.73	15.58	17.56
Luck	16.82	17.00	15.87	15.84	16.03	15.50	14.79	15.38	15.61	17.13
McKinley	18.68	18.21	17.50	17.83	18.37	16.87	15.91	16.58	16.84	18.37
Milltown	17.19	16.59	16.12	15.98	15.45	14.23	14.19	14.67	15.25	16.70
Osceola	18.03	17.18	16.48	15.66	15.83	15.37	14.54	14.71	14.99	15.79
St Croix Falls	19.40	18.22	17.21	16.22	15.94	15.27	14.81	15.50	16.11	17.49
Sterling	19.22	16.74	16.19	16.10	15.85	15.44	14.94	15.27	15.77	17.12
West Sweden	20.93	21.21	20.33	18.68	17.68	17.41	17.67	16.73	16.51	18.54

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

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

**POLK COUNTY, WISCONSIN  
PRINCIPAL PROPERTY TAXPAYERS  
TAXES PAYABLE IN 2010 AND NINE YEARS AGO**

Taxpayer	Property Classification	2010				2001			
		Rank	Net Tax	Equalized Assessed Value	% of Total Equalized Assessed Values	Rank	Net Tax	Equalized Assessed Value	% of County Total Tax Capacity
Menards, Inc.	Commercial	1	\$ 226,565	\$ 11,123,800	0.3 %	-	\$ -	-	- %
Wal-Mart Real Estate Business Trust	Commercial	2	217,014	10,654,900	0.2	2	91,882	3,505,000	0.2
Cardinal Glass Industries	Commercial	3	199,675	8,160,000	0.2	5	74,437	3,158,300	0.2
Turtle Lake Properties, LLC	Manufacturing	4	128,350	5,454,900	0.1	-	-	-	-
Horst Recheibacher	Residential	5	120,711	6,229,500	0.1	4	76,441	4,118,400	0.2
Osceola Rentals LLC	Commercial	6	97,794	5,120,500	0.1	1	126,692	6,337,400	0.3
The RiverBank	Commercial	7	93,172	4,804,700	0.1	-	-	-	-
Polaris Industries, Inc.	Manufacturing	8	84,214	4,404,800	0.1	-	-	-	-
Dresser Trap Rock Inc.	Manufacturing	9	82,079	4,513,500	0.1	6	66,267	3,755,600	0.2
Plastech Corporations	Manufacturing	10	72,625	2,970,000	-	3	82,606	3,505,000	0.2
Ronald L Anderson	Commercial		-	-	-	7	64,893	2,754,100	0.1
Northwire Inc	Manufacturing		-	-	-	8	61,902	3,096,500	0.2
Land-O-Lakes	Manufacturing		-	-	-	9	60,177	3,028,700	0.2
Betchkal Properties	Commercial		-	-	-	10	58,129	2,538,200	0.1
<b>Totals</b>			<b>\$ 1,322,199</b>	<b>\$ 63,436,600</b>	<b>1.4 %</b>		<b>\$ 763,426</b>	<b>\$ 35,797,200</b>	<b>1.8 %</b>
				Total Equalized Assessed Valuation				\$ 2,017,255,540	

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

**Note:** Menards, Inc., Turtle Lake Properties, LLC, The RiverBank, Polaris Industries, Inc., and Amery Regional Medical Center were not in the top ten tax payers in 2000.

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

Fiscal Year Ended December 31	Tax Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections as of 12/31/2010	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2001	2000	\$ 41,900,451	\$ 40,977,418	97.8 %	\$ 923,033	\$ 41,900,451	100.0 %
2002	2001	47,217,952	46,298,115	98.1	919,837	47,217,952	100.0
2003	2002	51,922,620	50,905,299	98.0	1,017,321	51,922,620	100.0
2004	2003	55,286,603	54,236,543	98.1	1,050,060	55,286,603	100.0
2005	2004	61,171,244	60,022,786	98.1	1,148,458	61,168,097	100.0
2006	2005	64,721,871	63,405,297	98.0	1,316,574	64,718,879	100.0
2007	2006	68,254,221	66,663,429	97.7	1,590,792	68,239,583	100.0
2008	2007	74,199,719	72,213,730	97.3	1,985,989	73,857,712	99.5
2009	2008	75,568,798	73,202,535	96.9	2,366,263	74,600,372	98.7
2010	2009	77,932,085	75,689,018	97.1	-	75,689,018	97.1

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

**Notes:** Since 2010 taxes are based on 2009 values, the collections in subsequent years will be zero due to the way the collection dates fall.

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Personal Income	Percent of Personal Income	Population (a)
	General Obligation Bonds	General Obligation Notes	Capital Leases	Loans	General Obligation Notes	Capital Leases						
2001	\$16,515,000	\$ 80,300	\$ 86,238	\$ 200,622	\$ 1,213,880	\$ -	-	\$18,096,040	\$ 1,000,639,000	1.8 %	42,309	
2002	28,520,000	54,754	43,551	365,844	1,162,211	-	-	30,146,360	1,009,969,000	3.0	42,761	
2003	28,155,000	2,038,006	54,574	397,115	1,120,731	-	-	31,765,426	1,063,233,000	3.0	43,282	
2004	27,490,000	1,785,000	63,684	529,241	1,060,702	-	-	30,928,627	1,156,556,000	2.7	43,886	
2005	26,690,000	7,140,000	32,608	600,191	1,088,319	-	-	35,551,118	1,203,109,000	3.0	44,613	
2006	25,710,000	6,880,000	12,569	588,430	1,019,501	-	-	34,210,500	1,211,378,000	2.8	44,784	
2007	24,585,000	9,890,000	149,658	-	950,988	-	-	35,575,646	1,267,634,000	2.8	44,265	
2008	23,290,000	9,280,000	223,106	895,643	75,566	-	-	33,764,315	1,350,159,000	2.5	44,270	
2009	22,120,000	8,205,000	423,036	849,975	70,662	20,247	-	31,688,920	1,388,104,855	2.3	44,275	
2010	20,795,000	6,975,000	373,403	736,190	65,534	16,525	-	28,961,652	1,369,131,928 *	2.1	44,205	

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

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

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

Fiscal Year	Outstanding Debt				Personal Income	Percent of Personal Income	Population (a)	Debt Per Capita
	General Obligation Bonds	Capital Leases	Less: Amounts Restricted to Repaying Principal	Total				
2001	\$ 16,515,000	\$ 86,238	\$ -	\$ 16,601,238	\$ 1,000,639,000	1.7 %	41,319	\$ 402
2002	28,520,000	43,551	211,000	28,352,551	1,009,969,000	2.8	42,309	670
2003	28,155,000	54,574	-	28,209,574	1,063,233,000	2.7	42,761	660
2004	27,490,000	63,684	8,048	27,545,636	1,156,556,000	2.4	43,282	636
2005	26,690,000	32,608	50,209	26,672,399	1,203,109,000	2.2	43,886	608
2006	25,710,000	12,569	59,321	25,663,248	1,211,378,000	2.1	44,613	575
2007	24,585,000	149,658	27,327	24,707,331	1,267,634,000	1.9	44,784	552
2008	23,290,000	223,106	128,144	23,384,962	1,350,159,000	1.7	44,265	528
2009	22,120,000	423,036	208,954	22,334,082	1,388,104,855	1.6	44,270	504
2010	20,795,000	373,403	210,238	20,958,165	1,369,131,928 *	1.5	44,205	474

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

**Note:** (1) See the Schedule of Equalized Value of All Property by Assessment Class on page 90 for property value data.

**POLK COUNTY, WISCONSIN  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2010**

<u>Jurisdiction</u>	<u>Total GO. Bonds Outstanding (1)</u>	<u>Percent (2)</u>	<u>Applicable to Polk County Amount</u>
<b>Underlying Debt:</b>			
<b>Cities of:</b>			
Amery	\$ 4,740,533	100.0 %	\$ 4,740,533
St. Croix Falls	6,063,002	100.0	6,063,002
<b>Total Cities</b>	<b>10,803,535</b>		<b>10,803,535</b>
<b>Villages of:</b>			
Balsam Lake	2,846,889	100.0	2,846,889
Centuria	1,090,076	100.0	1,090,076
Clayton	460,059	100.0	460,059
Clear Lake	811,311	100.0	811,311
Dresser	1,263,209	100.0	1,263,209
Frederic	1,560,502	100.0	1,560,502
Luck	558,898	100.0	558,898
Milltown	877,194	100.0	877,194
Osceola	4,779,518	100.0	4,779,518
<b>Total Villages</b>	<b>14,247,656</b>		<b>14,247,656</b>
<b>Townships of:</b>			
Alden	-	100.0	-
Apple River	-	100.0	-
Balsam Lake	46,863	100.0	46,863
Beaver	-	100.0	-
Black Brook	-	100.0	-
Bone Lake	-	100.0	-
Clam Falls	-	100.0	-
Clayton	88,898	100.0	88,898
Clear Lake	-	100.0	-
Eureka	-	100.0	-
Farmington	-	100.0	-
Garfield	440,726	100.0	440,726
Georgetown	42,107	100.0	42,107
Johnstown	-	100.0	-
Laketown	-	100.0	-
Lincoln	-	100.0	-
Lorain	-	100.0	-
Luck	-	100.0	-
McKinley	-	100.0	-
Milltown	341,977	100.0	341,977
Osceola	545,103	100.0	545,103
St. Croix Falls	246,663	100.0	246,663
Sterling	142,380	100.0	142,380
West Sweden	150,000	100.0	150,000
<b>Total Townships</b>	<b>2,044,717</b>		<b>2,044,717</b>

**POLK COUNTY, WISCONSIN  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (CONTINUED)  
DECEMBER 31, 2010**

<u>Jurisdiction</u>	<u>Total GO. Bonds Outstanding (1)</u>	<u>Percent (2)</u>	<u>Applicable to Polk County Amount</u>
<b>Underlying Debt:</b>			
<b>School Districts of:</b>			
Amery	\$ 14,960,000	97.0 %	\$ 14,511,200
Clayton	1,820,000	71.0	1,292,200
Clear Lake	3,905,000	70.0	2,733,500
Cumberland	6,454,000	4.0	258,160
Frederic	4,715,000	72.0	3,394,800
Grantsburg	6,430,000	4.0	257,200
Luck	190,000	100.0	190,000
Osceola	14,315,000	94.0	13,456,100
St. Croix Falls	11,160,000	100.0	11,160,000
Turtle Lake	3,453,771	47.0	1,623,272
Unity	4,735,000	100.0	4,735,000
<b>Total School Districts</b>	<b><u>72,137,771</u></b>		<b><u>53,611,432</u></b>
<b>Underlying Debt Subtotal:</b>	<b>99,233,679</b>		<b><u>80,707,340</u></b>
<b>Overlapping Debt:</b>			
<b>Direct Debt:</b>			
Polk County	20,795,000	100.0	20,795,000
<b>Overlapping Debt Subtotal:</b>	<b><u>20,795,000</u></b>		<b><u>20,795,000</u></b>
<b>Total</b>	<b><u>\$ 120,028,679</u></b>		<b><u>\$ 101,502,340</u></b>

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

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

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

**POLK COUNTY, WISCONSIN  
COMPUTATION OF LEGAL DEBT LIMITATION  
DECEMBER 31, 2010**

	<b>Amount</b>	<b>Percent</b>
Total Taxable Market Value	\$ 4,852,519,900	
Debt limit- 5% of Total Market Value	242,625,995	100.0%
Amount of Debt Applicable to 5% Debt Limit: Total Bonded Debt	\$ 28,221,256 *	
Total Amount of Debt Applicable to Debt Limit	28,221,256	11.63%
<b>Legal Debt Margin</b>	<b>\$ 214,404,739</b>	<b>88.37%</b>

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

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

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

Fiscal Year	Population (a)	Personal Income (b)	Per Capita		Density (Person/ Sq. Mi.)	Number of Households (a)	Unemployment Rate (c)
			Personal Income (b)	Area (Sq. Mi.) (d)			
2001	42,309	\$ 1,000,639,000	\$ 23,651	960	44	21,644	5.7 %
2002	42,761	1,009,969,000	23,619	960	45	22,049	6.4
2003	43,282	1,063,233,000	24,565	960	45	22,555	6.0
2004	43,886	1,156,556,000	26,354	960	46	23,056	5.1
2005	44,613	1,203,109,000	26,968	960	46	23,522	5.6
2006	44,784	1,211,378,000	27,049	960	47	23,980	5.7
2007	44,265	1,267,634,000	28,637	960	46	24,334	5.9
2008	44,270	1,326,502,510	29,964	960	46	24,298	7.3
2009	44,275	1,388,104,855	31,352	960	46	24,642	10.2
2010	44,280 *	1,452,567,993 *	32,804 *	960	46	25,113	7.9

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

(b) US Census.

(c) Bureau of Economic Analysis.

(d) US Department of Labor - Bureau of Labor Statistics.

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

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

<u>Employer</u>	<u>Fiscal Year 2010 (a)(b)</u>		<u>Fiscal Year 2001 (a) (b)</u>	
	<u>Employees</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>% of Total County Employment</u>
Polaris Industries Mfg	515	3.3 %	500	3.5 %
Amery Regional Medical Center	473	3.0	235	1.6
St. Croix Regional Medical Center	460	2.9	430	3.0
Wal-Mart	366	2.3	200	1.4
Trollhaugen Inc.	332	2.1	-	-
Northwire Inc.	174	1.1	-	-
Tenere Inc.	140	0.9	100	0.7
Menards	134	0.9	-	-
Bishop Fixture & Millwork Inc.	119	0.8	-	-
River Bank	78	0.5	62	0.4
	<u>2,791</u>	<u>17.9 %</u>	<u>1,527</u>	<u>10.6 %</u>

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

**(b)** Wisconsin Department of Employment and Economic Development.

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

Fiscal Year	General Government	Public Safety	Highways and Streets	Health and Welfare	Culture and Recreation	Total
2001	-	-	-	-	-	-
2002	-	-	-	-	-	-
2003	-	-	-	-	-	-
2004	58	74	39	142	25	338
2005	60	79	39	139	22	339
2006	64	84	39	138	21	346
2007	64	81	39	132	26	342
2008	67	77	38	135	26	343
2009	66	80	38	132	28	345
2010	65	77	37	128	27	334

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

**Note:** Employee count is based on authorized Full-Time Equivalent (FTE) positions.  
Information for 2001-2003 is not available due to County switch to ABRA payroll system.

**POLK COUNTY, WISCONSIN  
OPERATING INDICATORS BY FUNCTION  
DECEMBER 31, 2010**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
Number of Cities	2	2	2	2	2	2	2	2	2	2
Number of Towns	24	24	24	24	24	24	24	24	24	24
Number of Villages	10	10	10	10	10	10	10	10	10	10
<b>Public Safety</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Licensed Deputies	23	26	26	26	26	26	27	27	27	27
<b>Highways and Streets</b>										
Miles of County Roads:										
Bituminous	330.85	330.85	330.85	330.85	330.85	330.85	330.85	329.77	329.77	329.77
<b>Culture and Recreation</b>										
Number of County Parks	5	5	5	5	5	5	5	5	5	5
Number of State Parks	1	1	1	1	1	1	2	2	2	2
Number of Branch Libraries	10	10	10	10	10	10	10	10	10	10
Number of Items Available to Citizens	187,259	192,690	195,305	199,344	203,169	204,880	206,218	224,496	226,116	236,289

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

**POLK COUNTY, WISCONSIN  
CAPITAL ASSET STATISTICS BY FUNCTION  
DECEMBER 31, 2010**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Public Safety</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	15	15	18	18	18	18	18	18	18	18
<b>Highways and Streets</b>										
Streets (Miles)	330.85	330.85	330.85	330.85	330.85	330.85	330.85	329.77	329.77	329.77
<b>Culture and Recreation</b>										
Parks Acreage	220	220	220	220	220	220	220	220	220	220
County Parks	5	5	5	5	5	5	5	5	5	5

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