2004 BUDGET SUMMARY

	2003 Adopted Budget	2004 Adopted Budget	Incr/(Decr) From 2003 Adopted Budget $	%
OPERATING BUDGETS				
Gross Expenditures	$199,649,673	$208,705,759	$9,056,086	4.54%
MEMO: Less Interdept. Charges (a)	$14,483,606	$14,135,462	($348,144)	
MEMO: Net Expenditures (a)	$185,166,067	$194,570,297	$9,404,230	5.08%
Less: Revenues (Excl. Retained Earnings)	$118,243,559	$121,313,577	$3,070,018	2.60%
Less Net Appropriated Fund Balance	$5,945,861	$7,823,849	$1,877,988	
TAX LEVY -- OPERATING BUDGETS	$75,460,253	$79,568,333	$4,108,080	5.44%
CAPITAL PROJECTS BUDGET				
Expenditures	$29,638,300	$28,344,370	($1,293,930)	-4.37%
Less: Revenues	$18,905,869	$17,330,468	($1,575,401)	-8.33%
Less: Appropriated Fund Balance	$5,583,125	$6,260,570	$677,445	
TAX LEVY-CAPITAL PROJECTS BUDGET	$5,149,306	$4,753,332	($395,974)	-7.69%
COUNTY TOTALS				
Expenditures	$229,287,973	$237,050,129	$7,762,156	3.39%
Less: Revenues	$137,149,428	$138,644,045	$1,494,617	1.09%
Less: Appropriated Fund Balance	$11,528,986	$14,084,419	$2,555,433	
General County Tax Levy	$77,777,941	$79,792,996	$2,015,055	2.59%
Communications Center Levy	$287,513	$1,759,482	$1,471,969	
Library Tax Levy	$2,544,105	$2,769,187	$225,082	8.85%

(a) Net operating expenditure budget after eliminating interdepartmental chargeback transactions (mostly from internal service fund operations) which in effect result in double budgeting.

	2003 Adopted Budget	2004 Adopted Budget	Incr/(Decr) From 2003 Adopted Budget $	%
General County Tax Levy	$78,065,454	$81,552,478	$3,487,024	4.47%
General County Tax Rate	$2.3102	$2.2095	($0.1008)	-4.36%
General County Equalized Value	$33,791,109,550	$36,910,435,050	$3,119,325,500	9.23%
Federated Library Tax Levy	$2,544,105	$2,769,187	$225,082	8.85%
Federated Library Tax Rate	$0.2643	$0.2629	($0.0014)	-0.52%
Federated Library Equalized Value	$9,626,522,000	$10,533,032,800	$906,510,800	9.42%

2004 BUDGET SUMMARY BY AGENCY BY FUNCTIONAL AREA

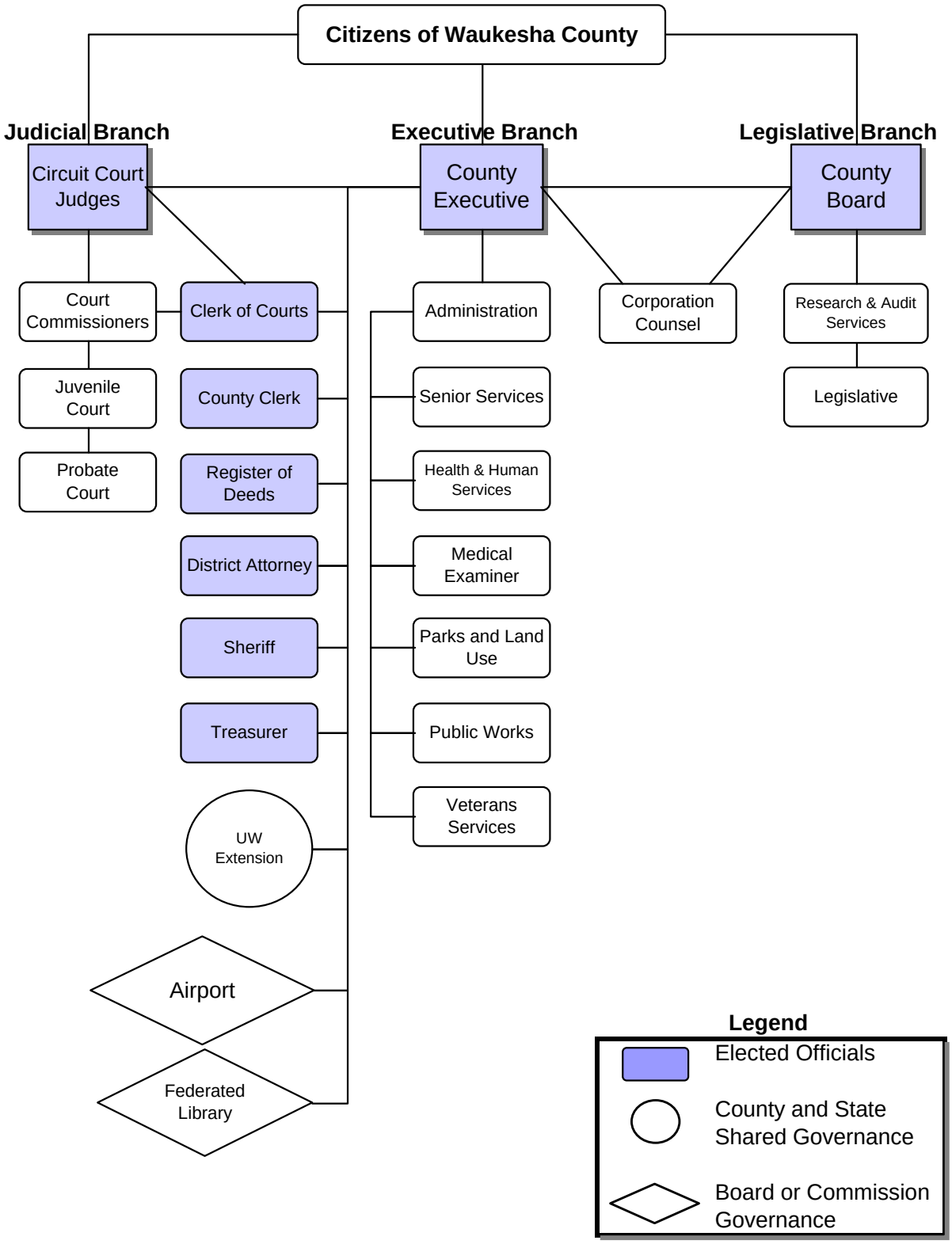
AGENCY NAME	2004 County Board Adopted Budget EXPEND.	REVENUES	FUND ADJUST.	TAX LEVY	Tax Levy Change '03 - '04 $
JUSTICE AND PUBLIC SAFETY					
COUNTY EXECUTIVE					
Emergency Management	$217,912	$150,470	$0	$67,442	$5,806
PUBLIC WORKS					
Communications Center	$2,164,614	$28,215	$376,917	$1,759,482	$1,471,969
DISTRICT ATTORNEY	$2,156,697	$584,396	$29,430	$1,542,871	($43,985)
CIRCUIT COURT SERVICES	$8,448,252	$4,236,000	$0	$4,212,252	$127,869
MEDICAL EXAMINER	$1,062,391	$232,195	$0	$830,196	$54,366
SHERIFF	$26,769,228	$6,773,620	$132,484	$19,863,124	$970,894
Subtotal: Justice & Pub Safety	$40,819,094	$12,004,896	$538,831	$28,275,367	$2,586,919
HEALTH AND HUMAN SERVICES					
COUNTY EXECUTIVE					
Com Develop Block Grant	$4,650,000	$4,650,000	$0	$0	$0
CORP. COUNSEL					
Child Support	$2,154,359	$1,956,307	$65,000	$133,052	$34,485
SENIOR SERVICES					
General	$2,192,433	$974,081	$0	$1,218,352	$28,002
Elderly Nutrition	$1,146,074	$947,918	$10,150	$188,006	($3,806)
HEALTH & HUMAN SERVICES					
Public Health	$3,016,774	$994,934	$0	$2,021,840	$33,577
Human Services	$33,842,749	$21,593,579	$556,050	$11,693,120	$446,205
Long Term Care	$31,207,896	$29,408,135	$0	$1,799,761	($8,754)
Mental Health Center	$4,482,996	$2,084,000	$50,000	$2,348,996	$388,986
VETERANS' SERVICES	$247,204	$13,000	$0	$234,204	$14,440
Subtotal: HHS	$82,940,485	$62,621,954	$681,200	$19,637,331	$933,135
PARKS, ENVIR, EDUCATION & LAND USE					
REGISTER OF DEEDS	$1,823,154	$2,686,236	$45,500	($908,582)	($50,006)
UW-EXT: EDUCATION	$642,288	$329,623	$0	$312,665	($100,000)
FEDERATED LIBRARY					
County	$2,769,187	$0	$0	$2,769,187	$225,082
State Aids	$1,147,711	$1,141,072	$6,639	$0	$0
PARKS & LAND USE					
General	$10,295,257	$3,802,260	$90,000	$6,402,997	$135,430
Land Information Systems	$553,758	$553,758	$0	$0	$0
Tarmann Fund	$1,000,000	$450,000	$550,000	$0	$0
Golf Courses	$3,215,265 (a)	$3,454,000	($238,735)	$0	$0
Golf Course Rtnd. Earnings	$0	($238,735)	$238,735	$0	$0
Ice Arenas	$1,010,835 (a)	$1,010,835	$0	$0	$0
Expo Center	$819,930 (a)	$610,000	$119,930	$90,000	$0
Material Recovery Facility	$1,934,867 (a)	$2,679,250	($744,383)	$0	$0
MRF Retained Earnings	$0	($744,383)	$744,383	$0	$0
MRF Fund Bal. Appr.	$0	($650,000)	$650,000	$0	$0
Subtotal: Parks	$25,212,252	$15,083,916	$1,462,069	$8,666,267	$210,506

2004 BUDGET SUMMARY BY AGENCY BY FUNCTIONAL AREA

AGENCY NAME	2004 County Board Adopted Budget EXPEND.		REVENUES	FUND ADJUST.	TAX LEVY	Tax Levy Change '03 - '04 $
PUBLIC WORKS						
PUBLIC WORKS						
Public Works	$8,292,419		$1,642,614	$80,000	$6,569,805	$1,168
Transportation Fund	$9,043,083		$7,797,521	$0	$1,245,562	$13,625
Central Fleet Maintenance	$2,700,186	(a)	$2,599,103	$101,083	$0	$0
VEHICLE/EQUIP REPL.	$1,900,647	(a)	$1,948,907	($48,260)	$0	$0
Veh. Replace Rtnd. Earnings	$0		($48,260)	$48,260	$0	$0
AIRPORT DEVELOPMENT	$1,077,091	(a)	$631,661	$173,977	$271,453	$0
Subtotal: Public Works	$23,013,426		$14,571,546	$355,060	$8,086,820	$14,793
GENERAL ADMINISTRATION						
COUNTY EXECUTIVE						
General	$504,714		$8,600	$0	$496,114	$7,993
COUNTY BOARD	$1,301,482		$0	$0	$1,301,482	$43,860
COUNTY CLERK	$600,566		$155,420	$80,000	$365,146	$59,404
TREASURER	$649,641		$7,087,799	$0	($6,438,158)	($96,220)
ADMINISTRATION						
General	$6,455,234		$940,380	$0	$5,514,854	$105,158
Risk Management	$2,044,122	(a)	$1,708,850	$335,272	$0	$0
Collections	$599,338	(a)	$599,338	$75,000	($75,000)	($5,000)
Collections Fund Bal. Appr.			($12,000)	$12,000	$0	$0
Communications	$718,252	(a)	$823,041	($104,789)	$0	$0
Commuications Rtnd. Earn	$0		($104,789)	$104,789	$0	$0
Commuication Fund Bal. Appr.	$0		($24,000)	$24,000	$0	$0
Radio Services	$979,009	(a)	$1,157,561	($178,552)	$0	$0
Radio Svcs. Rtnd. Earn.	$0		($178,552)	$178,552	$0	$0
Radio Svcs. Fund Bal. Appr.	$0		($334,650)	$334,650	$0	$0
Records Management	$1,641,095	(a)	$1,641,095	$0	$0	$0
CORPORATION COUNSEL						
General	$1,251,396		$366,824	$0	$884,572	$34,310
Subtotal: General Admin.	$16,744,849		$13,834,917	$860,922	$2,049,010	$149,505
NON-DEPARTMENTAL						
GENERAL	$2,716,370		$1,018,520	$1,044,000	$653,850	$122,772
Gen. F.B. Tax Incr. Dist.	$0		$0	$234,500	($234,500)	($180,200)
END USER TECHNOLOGY	$3,024,095	(a)	$2,425,095	$0	$599,000	($126,000)
End User Tech. Gen Fund Bal Appr	$0		($247,267)	$247,267	$0	$0
CONTINGENCY	$1,350,000		$0	$1,000,000	$350,000	($100,000)
Subtotal: Non-Depart.	$7,090,465		$3,196,348	$2,525,767	$1,368,350	($283,428)
DEBT SERVICE--GEN'L	$12,885,188		$0	$1,400,000	$11,485,188	$496,650
Subtotal: Oper. Bud.	$208,705,759		$121,313,577	$7,823,849	$79,568,333	$4,108,080
CAPITAL PROJECTS	$28,344,370		$17,330,468	$6,260,570	$4,753,332	($395,974)
GRAND TOTAL	$237,050,129		$138,644,045	$14,084,419	$84,321,665	$3,712,106

(a) Proprietary fund (Internal Service and Enterprise funds) expenditure appropriations exclude Fixed Asset and Debt Service Principal payments to conform with generally accepted accounting standards. Fixed asset purchases and Debt Principal payments will be funded by operating revenues, tax levy, or balance appropriations and are included, as applicable, in each agency budget request.

Waukesha County Organizational Chart



2004 BUDGET ASSUMPTIONS

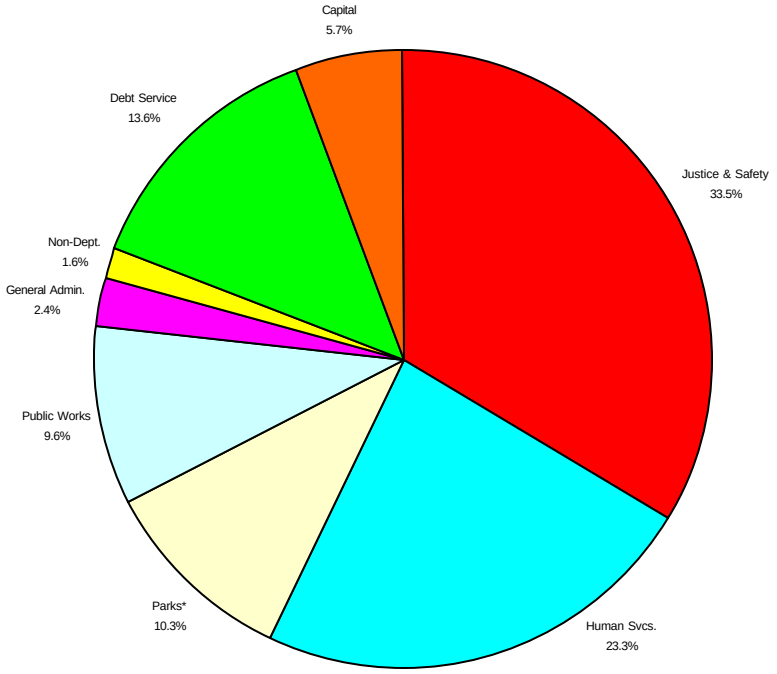
Certain broad assumptions are determined which establish a basic foundation for building a budget. These general assumptions provide a framework to County staff, the County Executive and the County Board of Supervisors for setting priorities, determining service levels and allocating limited financial resources.

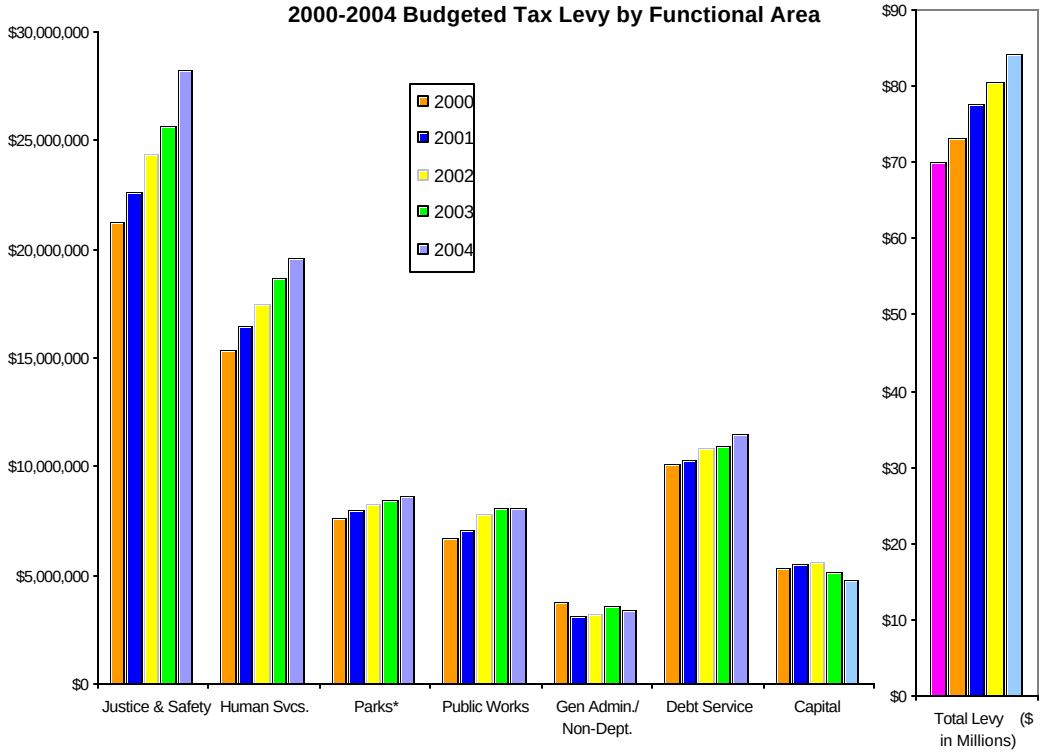
The following general assumptions are used in guiding the development of the County's 2004 budget.

- Overall inflation factor estimated for costs to continue existing services is projected for 2004 at a range from 1.7% to 2.9% depending upon the particular service or commodity. The major exceptions include energy and health insurance cost increases, prescription drug cost increases and Wisconsin Retirement contributions for protective service employees.
- The County Executive established as a goal for his proposed budget to manage a levy rate decrease, and a general tax levy increase limited to 2.6%, which approximates the property value growth associated with new construction in the County, excluding the levy required for the new shared dispatch services Communication Center operations. The new Communication Center operations requires $1,759,482 of tax levy funding which is $1,471,969 above the base 2003 budget amount and adds 1.9% to last year's total general tax levy.
- A 16% average health insurance premium increase made the 2.6% levy increase goal challenging. Additionally, the State's Budget bill, which stalled at the Conference Committee stage as the County budget targets were being established, included significant state shared revenue reductions and many unknown factors at the time making it very difficult to determine if certain state/federal revenues would be available to fund state programs run by the County.
- The proposed budget does decrease the tax levy rate for the 14th consecutive year as a combination of controlling discretionary expenditures and tax levy in the budget and a tax base increase of 9.23% resulting in a ten cent decrease in the rate from $2.31 to $2.21 per $1,000 of property value. The general County tax levy increases about $2.0 million, excluding the additional tax levy needed for the Communication Center shared dispatch operations.
- For 2004, due to the State's fiscal crisis, the County anticipated State funding reductions of $2.0 million and caps on grant funded mandates, which will have to be absorbed. State shared revenue for mandate relief of about $1.35 million will be eliminated and not be available to fund the Capital Projects budget. Additional, $160,000 of Income Maintenance administration funding for the Economic Support program is reduced at a time when caseloads have grown significantly. The State department of Corrections has consistently under funded State inmate reimbursement to Counties for housing Probation and Parole holds, based on prior year reimbursements rates versus the Federal Marshall daily rate paid (the County's cost at $65/day), the County is under funded by about $128,000.
- The largest state discretionary funding source, Basic County Allocation (BCA) to Health and Human Service programs, will provide no increase to offset higher costs to continue existing service levels, which will result in a tax levy need of over $850,000. The State Court Support Grant is not expected to increase resulting in additional levy need to run the State Circuit Court system.
- Register of Deeds charges for service revenues increase $186,600 to reflect a $148,500 increase in recording fees based on an estimated increase in recording volume. Revenues generated in excess of operating expenditures are targeted to total $908,600, an increase of $50,000 from 2003, which are used to reduce general government tax levy funding requirements.
- No increase in Investment income is budgeted in 2004 based on lower than expected 2003 rates of return.
- Debt borrowing costs are estimated to be about 5% on $14 million planned (based on capital plan) ten year 2004 issue. The levy effort to fund the Capital budget will be slightly lower at 24.4% ($400,000 less) at $4.75 million, however, fund balance appropriations of $6.3 million are to be applied. The Debt Service budget requires increased levy funding of almost $500,000 for the new issue.
- The End User Technology Support fund continues to cover the total cost of personnel computer ownership including e-government web-based initiatives, network infrastructure equipment and support costs. Charges back to end user departments has been phased in beginning in 2001 (currently at 58% of full cost going to 71% of full cost in 2004). In this budget $266,000 of additional tax levy funding is put into department budgets to help departments absorb higher charge backs. The Departments impact was limited to no greater than 3% more than their 2003 End User charge.

TAX LEVY BY FUNCTIONAL AREA

2004





*Includes Parks, Environment , Education and Land Use

2004 TAX LEVY SUMMARY

******* IMPACT ON HOMEOWNERS *******

The Waukesha County tax levy is comprised of two segments. The general County tax levy of $81,552,478 is levied at a rate of $2.21 per $1,000 of equalized value on all eligible property in the County. The Federated Library System levy of $2,769,187 is levied at a rate of $0.26 on taxable properties in communities without a library. While the general County tax rate went down $0.10 per $1,000 valuation for 2003, the actual tax impact to a homeowner may go up based on inflationary increases in property value from last year.

Because of varied assessment ratios to equalized values determined by the State Department of Revenue and inflationary property value changes, the tax bill impact on County's equalized tax rate of $2.21 per $1,000 of property value (down $0.10 from the 2003 budget) will vary. Waukesha County's average home value, as indicated in the 2000 census and inflated, is $218,700 in 2003 up 6.82% from the 2002 value. On average this would result in a County tax increase of 2.2% or $10.32 on a $218,700 average valued home. Other changes based on the average 6.82% housing value increase are listed below.

	2002 Value of Home	County Tax 2002	Residential Inflation	2003 Value of Home	County Tax 2003	County Tax Change Amount	County Tax Change Percent
	$100,000	$231.02	6.82%	$106,800	$235.97	$4.95	2.2%
*	$204,700	$472.90	6.82%	$218,700	$483.22	$10.32	2.2%
	$250,000	$577.55	6.82%	$267,100	$590.16	$12.61	2.2%

* Average Waukesha County home value 2000 U.S. Census was $182,900.

2003-2004 TAX LEVY BY FUNCTION (COMBINES ALL FUNDS)

BY FUNCTION	2003 Adopted Budget	2004 Adopted Budget	Incr/(Decr) From 2003 Adopted Budget $	%
Justice & Public Safety	$25,688,448	$28,275,367	$2,586,919	10.07%
Health & Human Services	$18,704,196	$19,637,331	$933,135	4.99%
Parks, Env., Educ. & Land Use	$8,455,761	$8,666,267	$210,506	2.49%
Public Works *	$8,072,027	$8,086,820	$14,793	0.18%
General Administration	$1,899,505	$2,049,010	$149,505	7.87%
Non-Departmental *	$1,651,778	$1,368,350	($283,428)	-17.16%
Debt Service	$10,988,538	$11,485,188	$496,650	4.52%
Capital Projects	$5,149,306	$4,753,332	($395,974)	-7.69%
Total Tax Levy	**$80,609,559**	**$84,321,665**	**$3,712,106**	**4.61%**
Less Federated Library Tax	$2,544,105	$2,769,187	$225,082	8.85%
COUNTY TAX LEVY	**$78,065,454**	**$81,552,478**	**$3,487,024**	**4.47%**

* The 2003 Adopted Budget has been restated for comparative purposes

2002 - 2004 EXPENDITURE SUMMARY

APPROPRIATION UNIT	2002 Actual	2003 Adopted Budget	2003 Estimate (b)	2004 Adopted Budget	Incr/(Decr) From 2003 Adpt. Budget
Personnel Costs	$80,377,413	$86,071,261	$84,749,118	$91,651,264	$5,580,003
Operating Expenses	$83,480,231	$84,712,194	$86,000,965	$88,290,440	$3,578,246
Interdepartmental Charges	$13,266,211	$14,483,606	$13,471,435	$14,135,462	($348,144)
Fixed Assets & Imprvmnts (a)	$1,552,966	$2,094,074	$2,039,506	$1,743,405	($350,669)
Debt Service-Excl Proprietary (a)	$11,450,319	$12,288,538	$12,053,384	$12,885,188	$596,650
Capital Projects	$26,869,688	$29,638,300	$28,395,550	$28,344,370	($1,293,930)
Total Gross Expenditures	$216,996,828	$229,287,973	$226,709,958	$237,050,129	$7,762,156

BY FUNCTIONAL AREA	2002 Actual	2003 Adopted Budget	2003 Estimate (b)	2004 Adopted Budget	Incr/(Decr) From 2003 Adpt. Budget
Justice & Public Safety	$35,055,556	$37,626,651	$36,835,742	$40,819,094	$3,192,443
Health & Human Services	$75,665,585	$77,136,914	$80,056,591	$82,940,485	$5,803,571
Parks, Env., Educ. & Land Use	$22,240,203	$23,925,459	$24,983,115	$25,212,252	$1,286,793
Public Works	$25,407,392	$26,305,234	$23,513,374	$23,013,426	($3,291,808)
General Administration	$14,596,386	$15,954,888	$15,678,933	$16,744,849	$789,961
Non-Departmental	$5,711,699	$6,411,989	$5,193,269	$7,090,465	$678,476
Debt Service-Excl Proprietary	$11,450,319	$12,288,538	$12,053,384	$12,885,188	$596,650
Capital Projects	$26,869,688	$29,638,300	$28,395,550	$28,344,370	($1,293,930)
Total Gross Expenditures	$216,996,828	$229,287,973	$226,709,958	$237,050,129	$7,762,156

(a) Proprietary fund (Internal Service and Enterprise funds) expenditure appropriations exclude Fixed Asset and Debt Service Principal Payments to conform with generally accepted accounting standards. Fixed Asset purchases and Debt Principal payments will be funded by operating revenues, tax levy or fund balance appropriations and are included, as applicable, in each agency budget request.

(b) Estimated expenditures exceed budget due to prior year appropriations carried forward and expended in current year and/or other budget modifications approved by County Board ordinance or fund transfer.

2004 EXPENDITURE HIGHLIGHTS

Expenditure Budget:

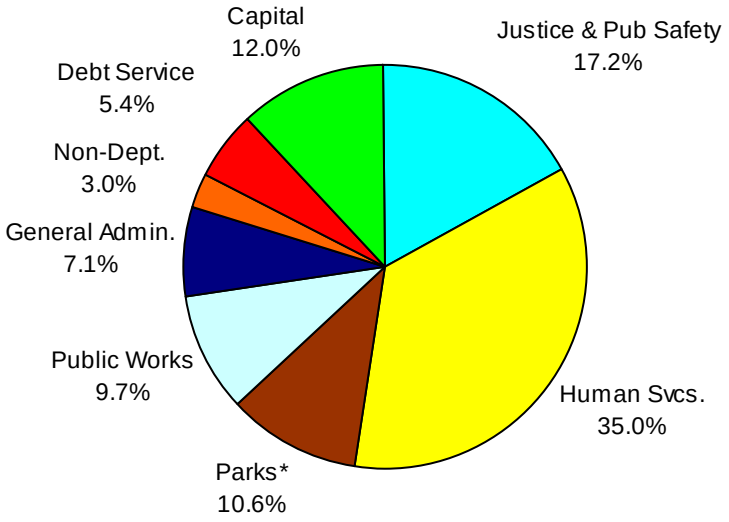
The 2004 total gross expenditure budget is $237,050,129 an increase of $7,762,156 or 3.4% from the 2003 adopted budget. Budget appropriations consist of departmental operating expenditures of $208,705,759 and capital spending of $28,344,370. The operating budget increases by $9,056,086, or 4.5%, from last year's operating budget while capital project expenditures decrease by $1,293,930 from the 2003 adopted budget. The net total expenditure budget after adjustment for $14,135,462 interdepartmental charge backs, mainly from Internal Service Funds (which are double budgeted), is $222,914,667. The net operating expenditure budget totals $194,570,297 after subtracting capital spending.

The adopted budget includes personnel costs totaling $91.6 million or 44% of the operating budget. Overall employee costs increased about $5.58 million, or 6.47% from the 2003 adopted budget. The increase includes $1.3 million for 16 new positions necessary to consolidate County Sheriff and several municipal dispatch centers into a County emergency dispatch communication center.

Personnel costs also include a 16% or $900,000 increase in Wisconsin Retirement System (WRS) contributions. The WRS contribution increase is in part related to lower state retirement trust investment earnings, but contributions are also significantly impacted due to a retirement benefit enhancement enacted by the State Legislature in 1999. Additionally, health insurance costs continue to increase at a significant rate, with a 16% increase in premium costs resulting in a 2004 budget expenditure increase of $1.1 million.

Operating expenditures (including operating expenses, purchased services, and interdepartmental charges appropriation units) increase from $99.2 million in 2003 to $102.4 million in 2004, an increase of $3.2 million. Operating expenses represent about 50% of the operating budget. Fixed assets and improvements expenditures for governmental funds are budgeted at $1.7 million (excluding fixed asset capital outlay authorized for proprietary fund operations). Debt service payments increase by 4.9% or $596,650 to $12.9 million.

2004 Expenditures as a Percent of Total

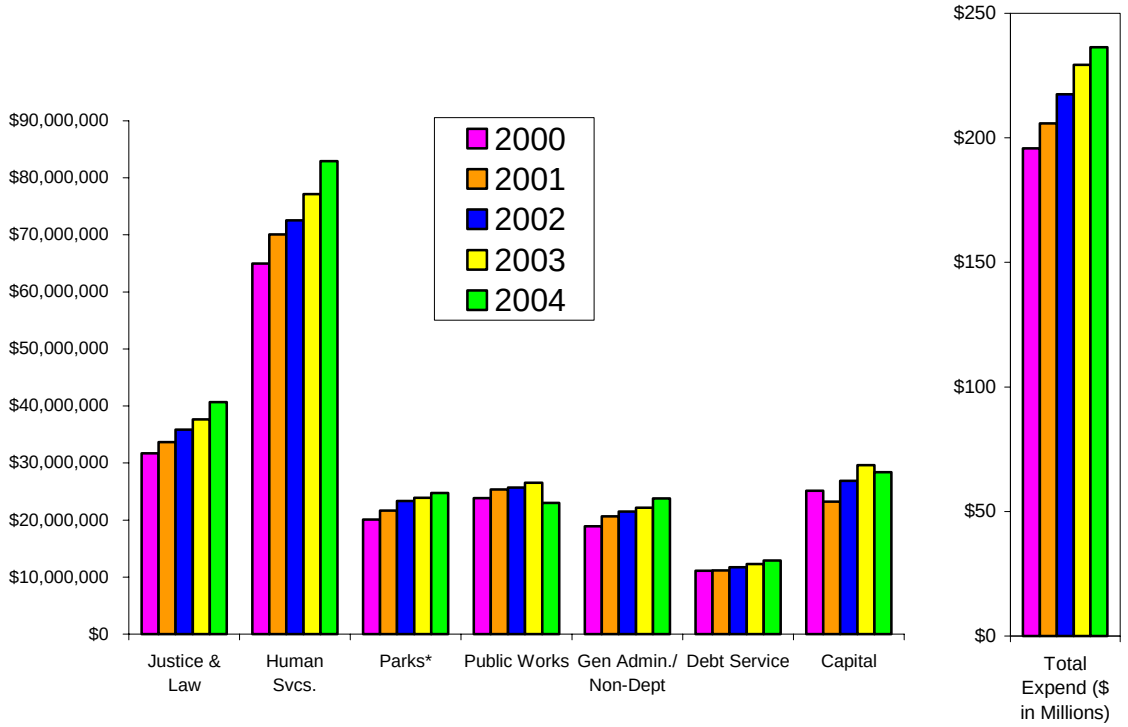


*Includes Parks, Environment, Education and Land Use

As shown above, the 2004 Functional Area expenditures are broken down as follows; Human Services activities represent 35.0% of county expenditures increasing $5.8 million or 7.5% over 2003 budgeted levels; Justice and Public Safety activities represent 17.2% of total expenses and increase $3.2 million or 8.5%; Public Works represents 9.7% of total expenses and decreases $3.3 million or 12.5%; Parks, Environment, Education and Land Use expenditures represent 10.6% of total and increase $1.3 million or 5.38%; General Administration is 7.1% of expenditures and increases $789,961 or 5.0%; Non-Departmental is 3.0% of expenditures and increases $678,476 or 10.6%; Capital expenditures total 12% of county expenditures and decrease $1.2 million or 4.4%; Debt Service represents 5.5% of total expenditures and increase $596,650 or 4.9%.

2004 EXPENDITURE HIGHLIGHTS

Budgeted Expenditures by Functional Area 2000 – 2004



*Includes Parks, Environment, Education and Land Use

The graph above depicts expenditure trend data over the past five years. Overall expenditures have experienced steady and stable growth reflecting the County's growth and demands on services. Justice and Public Safety and Human Services continue to be the main budget driver areas.

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major funding and policy changes, which impact expenditures by functional area, follows:

Justice and Public Safety

- The 2004 budget includes first year operations of the **Communications Center** that will have 45 authorized employees (by mid-2004) to provide dispatch services for 29 municipalities and county departments. County departments and current Sheriff dispatch customers will transition first, followed by the other municipalities. Seventeen of these positions will be transferred from the Sheriff's department existing dispatch operations and 28 positions were created with Enrolled Ordinance 158-019.

- The **Medical Examiner** budget includes the creation of a pathologist position to assist the medical examiner in performing the necessary duties of the office. In addition, the office will seek a contract to perform autopsies for another county in a regional area service sharing agreement.

- The **Emergency Management** division is budgeting $54,100 of additional federal revenues based on greater federal appropriation and emphasis on preparation of disaster plans and equipment preparedness. The division is also monitoring other funding opportunities that are not included in the budget but will request County Board authority to apply for and use when possible.

- The **Criminal Justice Collaborating Council (see table of contents, Health and Human Services Functional Area Section)** continues to carry out analysis/special studies and to recommend and implement comprehensive changes aimed at controlling jail inmate population growth. The Council is provided with budget appropriations totaling $326,300 and total county tax levy funding of $290,900 (an increase of $100,000) to address front end and aftercare monitoring services to help reduce recidivism.

2004 EXPENDITURE HIGHLIGHTS

Health and Human Services

- In the face of escalating **Health and Human Services - Economic Support** (ES) caseloads and continued State Income Maintenance (IM) program expansions, simultaneous with state Income Maintenance Allocation funding reductions of $156,000, and to limit shifting State program costs to county taxpayers; Division Economic Support staff will provide minimum statutory required services to clients for Medical Assistance, Food Stamps, and Child Care Subsidy in 2004

- **Health and Human Services** budget reflects the 2003 elimination of the **BASIC** (Basic Assistance and Services for Individuals in Crisis) Medical Program. The 2004 budget continues to provide for non-medical payments. This elimination of medical service is in response to continued cost escalation and dwindling state financial support for the program. Total expenditures decrease $570,000 and related levy decreases $300,000.

- **Health and Human Services** will also be developing criteria to implement a waiting list for the BASIC non-medical program. Although there is reason to believe that the 2003 elimination of the medical program will reduce non-medical applications, a two year trend of increasing applicants and cost trends indicate need for a wait list contingency plan to reduce the likelihood of budget overruns.

- **Human Services –Long Term Care** continues to be a major State funding priority area, as it has for a number of years. The State continues this priority in 2004 by providing the County $2.3 million in federal/state pass through and client specific waiver funding. The additional federal state funds are leveraged through a reallocation of a combination of County tax levy and Community Aids funding totaling $1.1 million. The Community Options, Community Integration and Developmental Disability programs help divert clients from costly nursing home and institutional placements. This saves the State medical assistance costs by keeping individuals out of these high cost placements.

- **Health and Human Services-Mental Health Outpatient Support Services** client medication costs increase $52,300 or 10% reflecting escalating costs and additional medication usage to stabilize clients living in the community. The department continues to augment services to clients who utilize the division's medication program through the increased use of drug sampling, medical assistance application support, and pharmaceutical card benefits. In 2004 the department will also implement a $15 co-payment per prescription. The co-payment will be retained by the pharmacy, essentially reducing the cost per prescription by $15 resulting in an estimated decrease in County cost of $70,000.

- **Health and Human Services - Public Health Division** budget includes a $123,800 Bioterrorism grant funding for preparedness planning and education of the Public Health division personnel. Also, the request includes the abolishment of an existing 1.0 FTE Programs and Projects Analyst position and creates a 1.0 FTE Epidemiologist position at a slight net increase in cost. The new position reflects the increased need and responsibility to provide biostatistical surveillance and analysis of disease in the County.

Parks, Environment, Education and Land Use

- The **University of Wisconsin Extension** 2004 budget includes a reduction in County tax levy funding of $100,000 which includes a $23,200 reduction for 0.75 FTE positions through the abolishment of a 0.50 Regular Part Time Clerk Typist position, a 0.25 FTE reduction in a Regular Clerk Typist II position and a $69,000 reduction of the county's 40% funded portion of the contracted UW Extension faculty and academic staff.

- The **Federated Library System** county library levy increases 8.8% or $225,082 to $2.77 million reflecting increased expenditures at the local library level and usage of member libraries by non-library community residents.

- The **Parks and Land Use** budget includes the abolishment of 1.0 FTE Park Maintenance Worker, The abolishment of the position is made possible due to the successful outsourcing of garbage collection activities at County government facilities and park sites.

2004 EXPENDITURE HIGHLIGHTS

- The **Parks and Land Use** budget creates 2.0 FTE County Humane Officers and abolishes 1.0 FTE Humane Animal Specialist position. The Officers will professionally and uniformly enforce the county's local rabies control program, educate, investigate, and enforce animal laws. The additional personnel costs of $54,200 are partially offset by a seasonal help reduction of approximately $12,400. The remaining additional costs are offset by a $41,800 increase in dog license revenues. The dog license surcharge is increased $2, from $1 to $3 per license, beginning with the issuance of the 2004 licenses. The increased fee helps to fund the expanded enforcement program costs.

- The **Parks and Land Use** budget includes $51,000 of first year tax levy funding of a SEWRPC regional ground water study, which is to be conducted over a four-year period. The study forwards the objectives outlined in County Board adopted resolution 156-21 to identify groundwater recharge areas and to develop a strategy for coordination of municipal water supplies. The Plan's findings will be an important component in County land use planning and eventual update of the Waukesha County Development Plan.

Public Works

- Position changes in the Public Works Department include the abolishment of a 1.0 FTE Patrol Worker due to declining State reimbursement for maintenance on State roads with an estimated savings of $57,735. Three additional positions, which were unfunded in the previous budget year, are also abolished.

- State General transportation aids do not increase in the 2004 operating budget. An accounting change in recording State reimbursements results in expenditure and revenue reductions of almost $1.1 million for equipment reimbursements.

- State and Federal **transit funding** for contracted services will no longer be budgeted but is received directly by the program administrator-Waukesha Metro Transit. This includes expenditures and revenues reductions of almost $2.6 million. County tax levy support is reduced $50,000 in 2004 due to favorable contract bids, fare box increases and route adjustments. One new route will begin in 2004 with Congestion Mitigation Air Quality (CMAQ) grant funding

General Administration - Non-Departmental

- **The County Executive's** office will work with partner municipalities and county staff to implement the Waukesha County Communications Center. The 2004 budget also includes first year funding for a cooperative effort with the City of Waukesha Fire Department for a hazardous material response team to respond to countywide incidents through a $140,000 grant from general fund balance. The additional services provided by the City of Waukesha will provide cost effective and efficient service to Waukesha County residents, resulting in savings to municipalities by eliminating four existing haz-mat response teams and providing coverage where none previously existed.

Capital Projects

The 2004 capital project expenditure budget of $28.3 million decreases $1.3 million or 4.4% from the 2003 adopted budget. The 2004 capital budget identifies funding for existing and new projects at a net county cost of $19.5 million (after revenues and fund balance appropriation totaling $8.9 million are applied). For 2004, borrowed funds total $14.0 million and investment income on capital project funds is at $700,000. Project funding also includes $4.8 million in county tax levy, a decrease of $395,974 from the 2003 budget

Debt Service

The Debt Service expenditure budget for general governmental purposes (excluding proprietary funds debt service payments which are funded from individual fund operating budgets) is $12,885,188 an increase of $596,650 or 4.8% from the 2003 adopted budget. To fund the 2004 capital project's budget, as mentioned above, $14.0 million is planned to be borrowed increasing the County's total debt outstanding at $83.7 million.

2002 - 2004 REVENUE SUMMARY

BY SOURCE	2002 Actual	2003 Adopted Budget	2003 Estimate	2004 Adopted Budget	Incr/(Decr) From 2003 Adpt. Budget
Intgov't Contracts & Grants	$63,926,657	$60,232,140	$63,112,724	$63,021,643	$2,789,503
State Transportation Aids	$5,347,284	$5,352,765	$5,352,765	$5,502,765	$150,000
St. Shared Revs/Mandate Relief	$3,626,232	$3,443,350	$3,443,350	$1,763,700	($1,679,650)
Fines & Licenses	$3,375,583	$2,628,300	$2,606,070	$2,778,445	$150,145
Charges for Services (a)	$23,268,425	$23,410,296	$25,095,272	$23,656,494	$246,198
Interdepartmental Revenue	$13,533,725	$14,218,046	$13,385,162	$13,870,852	($347,194)
Other Revenues	$9,294,176	$7,911,103	$8,348,061	$7,726,865	($184,238)
Interest/Penalty on Delinq Taxes	$1,850,197	$1,698,000	$1,705,000	$1,788,000	$90,000
Investment Inc-Unrestricted Fnds	$5,115,476	$5,905,000	$5,905,000	$5,850,000	($55,000)
Debt Borrowing	$9,900,000	$13,500,000	$13,500,000	$14,000,000	$500,000
Appropriated Fund Balance	$1,996,038	$11,528,986	$4,769,632	$14,084,419	$2,555,433
Retained Earnings (b)	($1,824,525)	($1,149,572)	($1,122,637)	($1,314,719)	($165,147)
Tax Levy	$77,587,560	$80,609,559	$80,609,559	$84,321,665	$3,712,106
Total Gross Revenues	$216,996,828	$229,287,973	$226,709,958	$237,050,129	$7,762,156

BY FUNCTION	2002 Actual	2003 Adopted Budget	2003 Estimate	2004 Adopted Budget	Incr/(Decr) From 2003 Adpt. Budget
Justice & Public Safety	$11,504,314	$11,774,255	$11,579,726	$12,004,896	$230,641
Health & Human Services	$58,249,260	$57,903,172	$61,708,475	$62,621,954	$4,718,782
Parks, Env, Educ & Land Use (a)	$16,482,616	$15,189,379	$18,884,084	$16,067,034	$877,655
Public Works	$18,151,147	$17,813,289	$14,939,145	$14,619,806	($3,193,483)
General Administration (a)	$13,998,831	$13,679,808	$14,086,863	$14,118,258	$438,450
Non-Departmental	$4,212,735	$3,033,228	$3,048,642	$3,196,348	$163,120
Capital Projects & Debt	$6,738,852	$5,405,869	$4,706,469	$3,330,468	($2,075,401)
Debt Borrowing	$9,900,000	$13,500,000	$13,500,000	$14,000,000	$500,000
Appropriated Fund Balance	$1,996,038	$11,528,986	$4,769,632	$14,084,419	$2,555,433
Retained Earnings (b)	($1,824,525)	($1,149,572)	($1,122,637)	($1,314,719)	($165,147)
Tax Levy	$77,587,560	$80,609,559	$80,609,559	$84,321,665	$3,712,106
Total Gross Revenues	$216,996,828	$229,287,973	$226,709,958	$237,050,129	$7,762,156

(a) Includes revenues from enterprise fund user fees which are estimated to result in retained earnings.
(b) Revenues in excess of expenditures from enterprise funds which are retained in the appropriate fund and not used to offset the overall County tax levy.

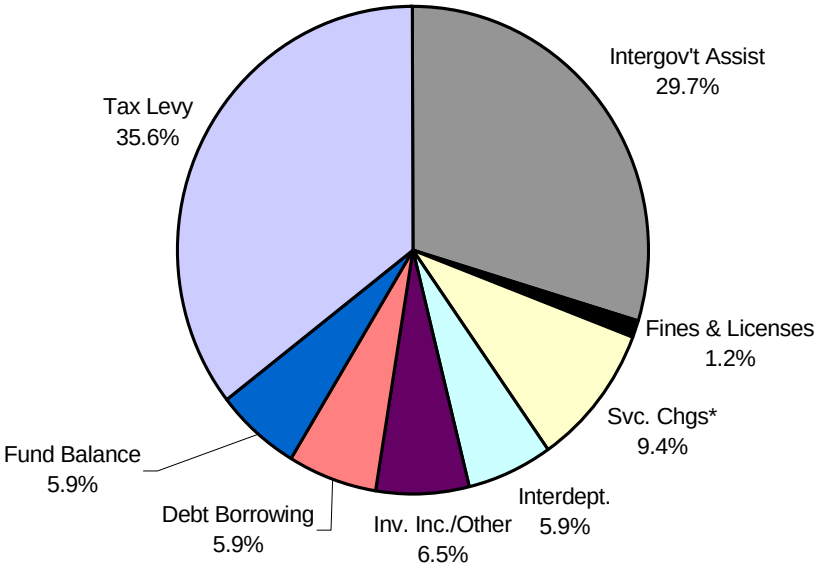
2004 REVENUE HIGHLIGHTS

Revenue Budget:

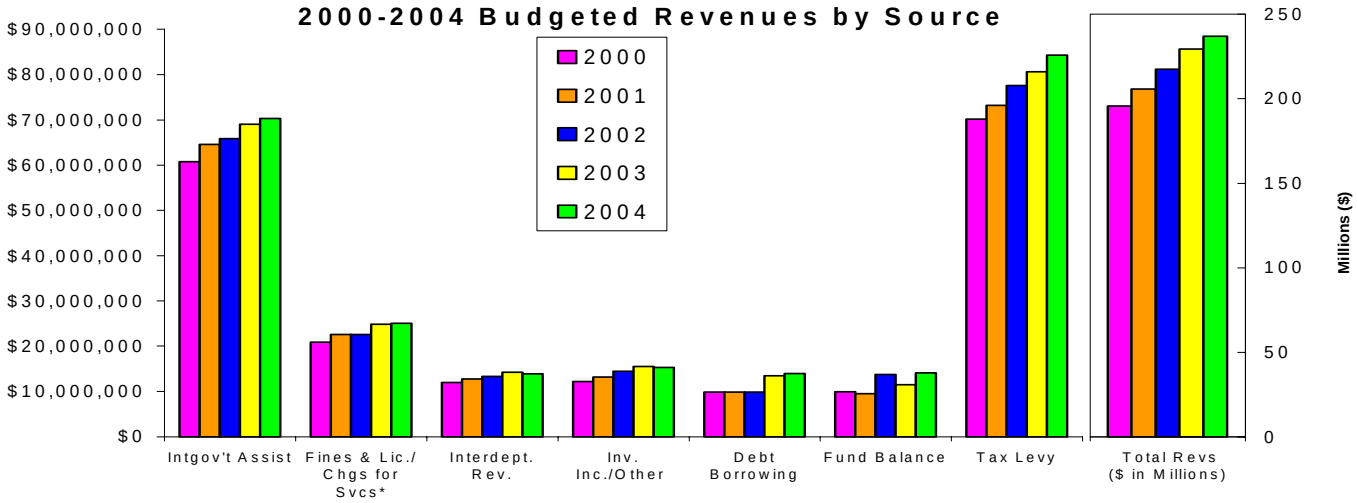
The 2004 revenue budget **(excluding property tax levy, fund balance appropriations and revenue generating proprietary fund retained earnings)** totals $138,644,045, an increase of $1,494,617 or 1.1% from the 2003 adopted budget. The net revenue budget is $124,773,193 after elimination of $13,870,852 of interdepartmental revenues (mostly from internal service funds), which are in essence double-budgeted. The 2004 revenues consist of departmental operating revenues budgeted at $121,313,577 and capital project funding at $17,330,468 including $14,000,000 from planned borrowing. Overall, the operating revenues increase $3,070,018 or 2.60% from the prior year budget. The increase is primarily due to a $2,789,503 or a 4.6% increase in Intergovernmental Contracts and Grants revenue mainly consisting of a $2.3 million in Human Services Long Term Care funding.

The graph below reflects the ratio of revenue sources budgeted for 2004 to all revenue sources, with Tax Levy of 35.6% and Intergovernmental Assistance of 29.7% as the major revenue components.

2004 Revenue Sources as a Percent of Total



The graph below reflects the revenue budgeted from all sources for 2000-2004. Nearly all sources have shown annual increases during the five-year period.



*Excludes retained earnings.

Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2003 adopted revenue budget, by source, follows.

2004 REVENUE HIGHLIGHTS

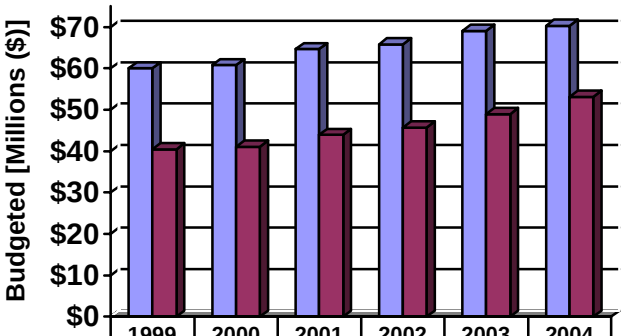
The property tax levy is not considered revenue for purposes of this section. Similarly, fund balance appropriations are not considered revenues, but rather re-appropriation of prior years' tax levy funding used to reduce the amount of taxes that must be levied.

Intergovernmental Assistance:

Combined, total 2004 intergovernmental contracts, grants, state aids and state shared revenues are budgeted at more than $70,288,108 representing an increase of approximately $1,259,853 or 1.8% from the previous year's budget.

The Health and Human Services Functional Area (HHS F.A.) receives the majority of its funding from Federal / State intergovernmental assistance. The Health and Human Services Functional Area includes the Depts. of Health and Human Services, Senior Services, Veterans, Child Support, and Community Development Block Grant. Increase in annual funding is mainly from Federal funding for CDBG program assistance and Health and Social Services funding.

Intergovernmental Assistance



	1999	2000	2001	2002	2003	2004
Total	$59.97	$60.74	$64.59	$65.82	$69.03	$70.29
HHS F.A.	$40.42	$41.10	$43.89	$45.67	$48.90	$53.08

- **Health and Human Services -Long Term Care** funding revenues increases $2.3 million. Of this amount, Community Integration and Community Options Services program revenue increases $1.15 million primarily as a result of a 16,700 increase in the number of days of care. **Developmental Disability Services** is budgeting an increase in Medicaid Waiver funding of $1.16 million, which the program will use to purchase an additional 14,250 days of service in 2004.
- **Community Development Block Grant** is budgeting an increase of $1.65 million of revenue for housing development loans and grants.
- **Senior Services** is budgeting an increase of grant $180,500 of grant funding increases for various services and the nutrition program.
- **Corporation Counsel – Child Support** is budgeting $140,000 of additional revenue based on higher administrative expenditure reimbursement funding and additional performance measure incentive funding.
- **State shared revenues** are projected to decrease by an estimated 49%, or nearly $1.7 million.
- **Public Works** State and Federal **transit funding** for contracted services will no longer be budgeted or accounted for as it will be remitted directly to the contracted program administrator. This includes expenditures and revenues reductions of almost $2.6 million.
- **State transportation aids** budget increase of $150,000 is allocated to the capital budget due to the uncertainty of the State budget. There is no increase in the Public Works operating budget.
- **Department of Health and Human Services** primary source of intergovernmental revenue, **the Basic County Allocation** (BCA) remains at the 2003 budget level of $11.4 million. The lack of an increase in BCA is a significant driver behind increasing Health and Human Services local levy need. Human Services levy increases $860,000 million or 5.1% in 2004.

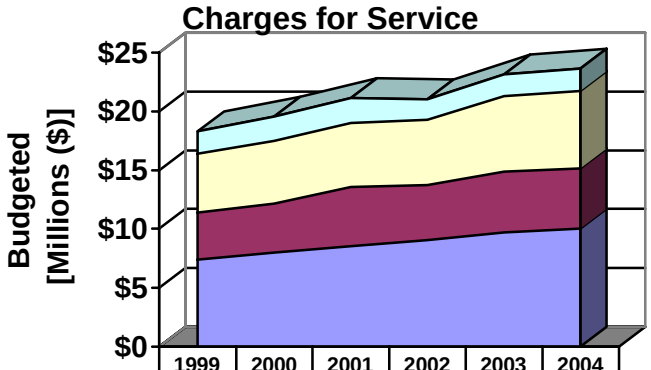
Charges for Services:

Charges for County services (user fees) are budgeted at $23,656,494, which represents an increase of approximately $246,200 or about 1.1% from the 2003 adopted budget.

User Fees are charges for specific government services to those who utilize those services. They provide an equitable, proportional method to continue service operations without charging the general population. User fees collected include fees for document recording and real estate transfer and public admission for recreation usage (PLE), health care and services (HHS), and inmate stays, contracted patrols, and judicial and public safety (JPS).

2004 REVENUE HIGHLIGHTS

- **Register of Deeds** real estate transfer and recording fee revenues and related service revenues are budgeted $186,600 higher than the 2003 budget. The increase primarily reflects an increase in the number of recorded pages per document. Document volume increases 5,000 (to 120,000) from the 2003 budget level of 115,000 documents.
- **Parks and Land Use** charges increase $145,600 from an increase of $113,300 for Land Information and $123,800 of Material Recycling Fund fees offsetting decreases of $107,400 for fees at enterprise operations (golf courses, ice arenas, and exposition center).
- **Public Works – Central Fleet** charges increase $80,300 from municipal maintenance revenue fees.



	1999	2000	2001	2002	2003	2004
Other	$1.91	$2.05	$2.08	$1.78	$1.86	$1.93
JPS	$5.03	$5.37	$5.48	$5.55	$6.42	$6.60
HHS	$3.99	$4.12	$4.97	$4.69	$5.16	$5.11
PLE	$7.40	$8.01	$8.57	$9.03	$9.70	$10.02

- **The Medical Examiner** is proposing to contract with another county to perform autopsies under a regional areas shared services arrangement at a charge of $1,400 per case with a 2004 budgeted revenue amount of $84,000.
- **Capital Projects** revenue decreases $276,000 for one-time 2003 revenue for a reimbursement from the Village of Mukwonago to add street lighting and sidewalks to a highway capital project

Fines and Licenses:

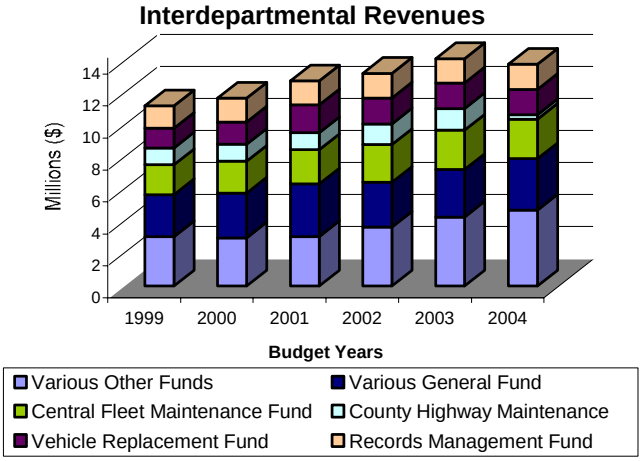
Overall fine and license revenues total $2,778,445 in 2004, an increase of more than $150,100, or 5.7% from the 2003 adopted budget.

- **Parks Department** increases $75,800 through increased license revenue of $65,300 and permit revenue of $10,500.
- **Justice and Public Safety** revenue from various fees increases $28,800 through an increase in Medical Examiner cremation permit revenue of $23,400.
- **Public Works – General** revenue from permits increases $25,000.

Interdepartmental Revenues:

Overall interdepartmental revenues total more than $13,870,852, a decrease of $347,194 or 2.44% from the 2003 adopted budget.

- Revenue increases are realized across multiple internal service funds, such as the **End User Technology Fund** for computer replacement for $348,900.
- **Department of Administration** revenue increase of $281,300 for the cross charges to other county departments for risk management, radio services, and administrative charges.
- **Public Works** department decreases $1,047,200 reflecting an accounting change in handling state reimbursements for county equipment usage.



2004 REVENUE HIGHLIGHTS

Other Revenues (Excludes fund balance appropriations):

(Note: Other Revenues described here exclude fund balance appropriations. However, the Other Revenues identified in the Agency and Organization Summary detail include surplus unreserved fund balance appropriated to reduce the amount of taxes levied.)

Revenues from other sources in the 2004 budget total over $15.3 million. This represents a decrease of almost $149,200 or about 1.0% from the 2003 adopted budget.

- **Capital Project** revenue from non-county sources decreases $700,000 with revenue budgeted in 2003 but not repeated in 2004 for the Retzer Nature Center project of $400,000 from the Waukesha School District and $300,000 from the Friends of Retzer.
- **Parks and Land Use Department** revenue budgets increases by over $212,400 mainly from Materials Recycling Fund revenues, **Public Works** revenue budget increases by over $132,400 for an increase in the **Vehicle Replacement Fund** for the amount received for vehicle sales, and **HHS-Long Term Care** budget is increasing $142,100 based on additional SSI/SS collections and cost recoveries.

Debt Financing:

The 2004 budget includes borrowing of $14 million to finance a portion of 2004 capital projects. This represents an increase of $500,000 in the level of borrowing from the 2003 adopted budget.

Appropriated Fund Balance:

To reduce the 2003 tax levy (for 2004 budget purposes), the budget includes fund balance appropriations of $14,084,419, for one-time projects or expenditures. This includes $7,823,849 for the operating budget and $6,260,570 for the Capital Projects budget.

Capital budget appropriations of fund balance include: $4.4 million for the Justice Facility Project from prior year's jail assessment fees and federal marshal revenue; $500,000 of End User Technology Fund balance; $445,000 of Capital Projects fund balance; $250,000 of Collections, $650,000 of Human Services fund balance, and $45,000 of Radio Services fund balance.

Operating budget fund balance appropriations, mainly for one time expenditure items, of most significance includes: $1,400,000 related to debt service of which $450,000 is designated 2003 (prior year) investment income; $200,000 of Materials Recycling Facility fund balance, $150,000 of Golf Course fund balance, $100,000 of Tarmann fund balance and $100,000 general fund balance for parkland acquisitions in the Tarmann Fund; $606,050 of Human Services fund balance; $1,044,000 of general fund balance for Non-Departmental General; $1,000,000 of General fund balance for the Contingency; $376,917 of General Fund balance for Public Works-Communication Center one-time start up costs; $247,267 of general fund balance for the Non-Departmental End User Technology Fund; $234,500 (to reduce taxes) for 2003 Tax Incremental District receipts from dissolved TIF's; $80,000 for County Clerk one time (presidential year) election costs, $75,000 for prior year start up cost repayments to reduce the tax levy and $12,000 for software upgrades from the Collections Fund, $334,650 for Radio Services to fund depreciation expense and general fund loan repayment of interest, $335,272 for Risk Management; $24,000 for Communications; $101,083 for Central Fleet; $769,930 for Parks and Land Use Enterprise Operations; $173,977 for Airport; $65,000 for Child Support; $132,484 for Sheriff, $29,430 for District Attorney; $80,000 of general fund balance for Public works; $90,000 general fund balance for Parks and Land Use Land Recycling program and one-time items, $45,500 of General Fund Balance for Register of Deeds one-time items; $6,639 for the Federated Library; and $10,150 for Senior Services-Nutrition.

Tax Levy and Property Assessed Valuation:

The overall 2003 tax levy (for 2004 budget purposes) is $84,321,665, which represents an increase of $3,712,106 or 4.6% from the 2003 adopted budget. The total tax levy consists of general County purpose tax levy of $81,552,478, a $3,487,024 or 4.5% increase from the 2003 adopted budget, and the Federated Library tax levy of $2,769,187, an increase of $225,082 or 8.85% from the 2003 adopted budget.

The tax levy rate for the general County portion of the budget is $2.2095 per $1,000 of equalized value, a decrease of $0.1007 or 4.36%. The tax levy rate for the Federated Library System is $0.2629 per $1,000 of equalized value, a decrease of $0.0014 or 0.5%.

The County's equalized property valuation (excluding Tax Incremental Financing Districts) as determined by the Wisconsin Department of Revenue is at $36,910,435,050, an increase of more than $3.12 billion or 9.23% from the previous year.

BUDGETED POSITIONS 2002-2004
SUMMARY BY AGENCY AND FUND

*******BUDGETED POSITIONS ONLY*******

FUNCTIONAL AREAS:	2002 Year End	2003 Adopted Budget	2003 Modified Budget	2004 Budget	03-04 Change
Justice And Public Safety	468.25	468.75	472.25	487.00	14.75
Health And Human Services	427.64	424.83	424.83	430.17	5.34
Parks, Env, Educ And Land Use	151.63	153.75	153.75	153.00	(0.75)
Public Works	166.50	163.50	163.50	162.50	(1.00)
General Administration	123.38	123.65	123.65	122.85	(0.80)
Non-Departmental	9.00	9.00	10.00	10.00	0.00
Total Regular Positions County-Wide	1,346.40	1,343.48	1,347.98	1,365.52	17.54
Temporary Extra Help	130.34	124.75	128.35	118.91	(9.44)
Overtime	26.89	26.00	26.73	23.64	(3.09)
Total Position Equivalents County-Wide	1,503.63	1,494.23	1,503.06	1,508.07	5.01

SIGNIFICANT CHANGES FOR 2004:

Budget funded position equivalents increase by a net 5.01 FTE (including positions impacts from the Communication Center created in 2003 by Enrolled Ordinance 158-019) for 2004 including temporary extra help and overtime.

In total, the 2004 budget includes funding for 4.05 FTE net new full time positions after abolishments of funded (2003) positions, funds an additional 15.00 FTE for 27 positions created with enrolled ordinance 158-019 (two for the Sheriff Department, 25 for the Public Works - Communications Center); reduced by 0.51 FTE for regular part-time position reductions, unfunds 1.00 FTE regular full time positions; decreases temporary extra help positions 9.44 FTE; decreases overtime by 3.09 FTE. Additionally, 8.00 FTE of previously authorized unfunded positions, not included in the numbers presented above, are abolished.

In addition, separate position actions modifying the 2003 Adopted Budget occurred outside the annual position request process, which is part of the budget cycle, and includes the following changes:

2003 Change (FTE)	Department		Budget Action/Position	Ordinance #
3.00	PW-Comm Center		Create 1.00FTE Communications Center Manager	158-019
			Create 1.00FTE Communications Center Specialist	158-019
			Create 1.00FTE Communications Center Supervisor	158-019
				158-019
0.00	PW-Comm Center	*	Create 5.00FTE Communications Center Supervisor	158-019
		*	Create 19.00FTE Telecommunicator	158-019
		*	Create 1.00FTE Clerk Typist III	158-019
			Transfer 2.00FTE Lead Radio Dispatcher and 15.00FTE Radio Dispatcher	158-019
0.00	Sheriff	*	Create 2.00 Clerk Typist II	158-019
1.00	Non Dept - End User Tech.		Create 1.00FTE Senior Information Systems Professional	158-019
0.50	Co Exec - Emergency Mgmt.		Create 1.00FTE Clerk Typist I/II and Abolish 0.50FTE Clerk Typist I/II (The increase sunsets as of 12/15/03)	157-117
0.05	Parks-General Fund		Increase Extra Help 0.05FTE	157-108
3.55	Register of Deeds		Increase Extra Help 3.55 FTE	158-080
0.73	Register of Deeds		Increase Overtime 0.73 FTE	158-080

*** Positions authorized to be funded and filled in 2004.**

For additional information, see the "Budgeted Position Summary" included for each functional area.

DECISION MAKING CRITERIA FOR NEW POSITIONS

County government has an obligation to meet the needs of its citizens in a fiscally prudent manner. One of the largest costs of government is personnel costs. Unlike capital projects that are paid for in a set period of time, position costs continue each year as long as the position exists. Therefore, before new positions are authorized, a careful review of the justification of these requests is warranted. In reviewing these requests, the following types of questions are asked.

1. Does the reason a position is being requested support the strategic plan for the County and the department?

2. Can the work be accomplished in any other way?

3. Does the proposed position improve customer service?

4. Does the proposed position provide direct services as opposed to administrative support, supervision, or management?

5. Will the proposed position allow the department to increase revenues or decrease expenditures beyond the cost of the position?

6. Does the proposed position provide preventative services that will lead to cost avoidance of more expensive services in the future?

7. Is there outside (non-county tax levy) funding available for the proposed position, i.e. state/federal grants?

8. Can the position costs be offset by eliminating or reducing a lower priority function?

9. Can the proposed position be justified as an investment with future benefits to the County greater than the cost of the position?

10. Has the organization been reviewed for efficiency? Is the organization a re-engineering candidate?

11. What will be the effect if the proposed position is not created?

SUMMARY OF FUND BALANCE PROJECTIONS

As of December 31, 2003
(Unaudited)

Projections of fund balance are an indicator of the estimated financial condition of the County at year-end. The current year projection (year-end 2003) is based on year-to-date information together with departmental estimates of revenues, expenditures and net transfers for various fund types. Fund balances are projected separately for General, Special Revenue, Enterprise, Internal Service, Debt, and Capital Project Fund types. For a description of the County's financial structure and descriptions of funds see the Summary section of the 2004 Adopted Budget.

Total combined estimates of fund balances at December 31, 2003 are projected at $128.2 million, an increase of $472,000 from December 31, 2002 year-end combined fund balances. Of the combined fund balance amount, $98.7 million is reserved (by State Law, County Board ordinance, etc.) for specific future use exclusively within each particular fund. A summary of projected fund balance by fund type is described below.

December 31, 2003

General Fund Balance - The estimated fund balance for the General Fund is projected at $58.5 million, an increase of $3.0 million from 2002. This increase results mainly from estimated 2003 revenues in excess of expenditures of over $5.2 million offset by over $2.2 million of general fund balance net transfers out in 2003 (see “working capital” managed plan reduction). These transfers out of the general fund include $565,700 for the End User Technology Fund, $333,000 for the Walter Tarmann Parkland Acquisition Fund, and $723,000 for 2003 capital projects. Of the $58.5 million projected balance, $31.7 million is reserved or designated for specific future use by County ordinance or State law, which includes fund balance appropriations for 2004 budget purposes totaling $8.3 million. Of this amount, $3.6 million is prior years’ jail assessment fees that will be used for the jail expansion project. See Capital Project section for other significant one-time uses of fund balance appropriations. The unreserved portion of the fund balance is estimated at $26.3 million, a decrease of almost $1.5 million from 2002.

Special Revenue Fund Balance - The December 31, 2003 estimated fund balance is $11.8 million, an increase of about $1.7 million from 2002. This increase results from projected departmental revenues under expenditures of $1.2 million and net transfers in of $580,000. The unreserved portion of fund balance is estimated at $4.2 million.

SUMMARY OF FUND BALANCE PROJECTIONS, Cont.

Working Capital - The unreserved General Fund balance combined with the unreserved Special Revenue Fund balance (governmental funds, excluding debt and capital projects) provides working capital for over nine weeks of operations based on the 2004 expenditure budget. In addition, the ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2003 is estimated at 18.7%, a decrease from the 19.9% at year-end 2002. This estimated percentage exceeds the County's goal of at least 11%, which provides sufficient cash flow for the County's operations, and will require greater planning efforts to meet the target goal of 15%.

Enterprise Fund Balance - Fund balance is projected at $11.2 million, an increase of about $147,000 over 2002, resulting mainly from revenues in excess of expenditures. The enterprise funds include three golf courses, two indoor ice arenas, an exposition center, radio services, a materials recycling facility, and an airport development fund.

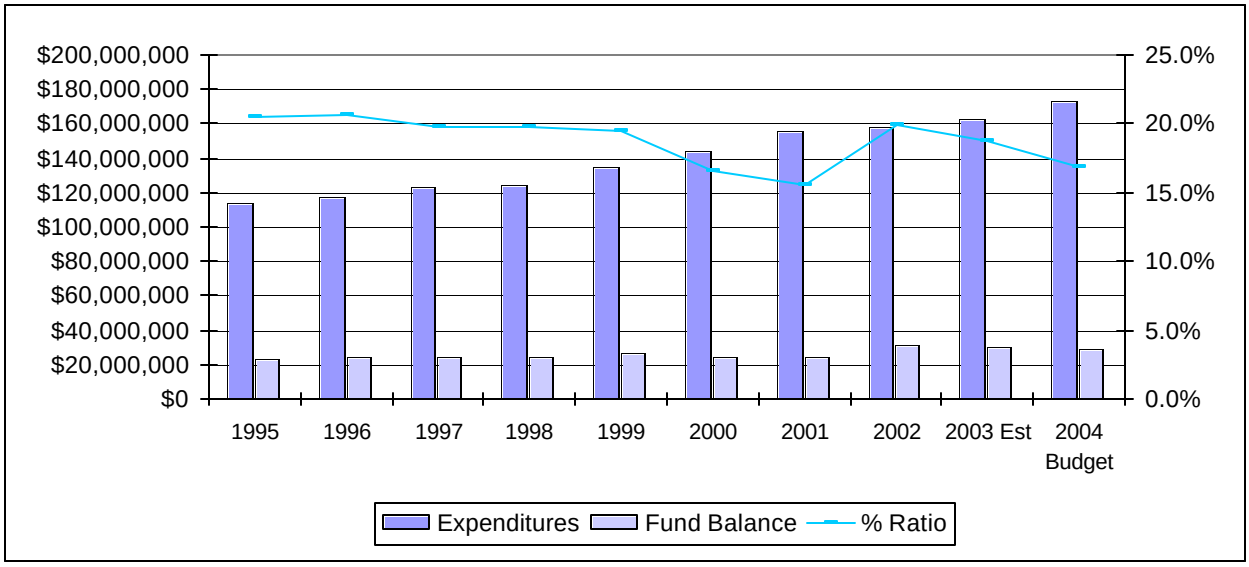
Internal Service Fund Balance - Year-end 2003 fund balance is estimated at $14.5 million, which is $249,000 less than 2002. Internal Service Funds include vehicle/equipment replacement, end user technology equipment replacement, central fleet maintenance, central services, telephone communications, records management, collections, and risk management (general liability and worker's compensation). These funds are reserved mostly for vehicle/equipment and computer replacement assets; general liability and worker's compensation claims incurred but not paid; and incurred but not reported (IBNR) claims that are actuarially determined.

Debt Service and Capital Projects - Projected combined fund balances at year-end 2003 total $32.4 million, a decrease of $4.0 million from the prior year. The entire fund balance in both of these fund types are reserved for existing capital projects and related debt retirement purposes.

December 31, 2004

The year-end 2004 projection is based on 2004 budgeted revenues, expenditures, and estimates on completion of capital projects appropriated in prior years. At year-end 2004, total combined fund balances are estimated at $115.1 million, a decrease of $13.1 million from the estimated 2003 level. Of the estimated combined year end 2004 total fund balance, $85.9 million is reserved for specific future use (legally restricted) within the particular funds, and $29.2 million is estimated to be the unreserved fund balance. This is an estimated decrease in unreserved fund balance of about $1.3 million from year-end 2003.

GENERAL & SPECIAL REVENUE FUNDS
Expenditures, Undesignated Fund Balance



Expenditures and Undesignated Fund Balance
General and Special Revenue Funds

Year	Expenditures	Undesignated Fund Balance	% Ratio
1995	$113,969,496	$23,277,532	20.4%
1996	$116,912,754	$24,164,727	20.7%
1997	$123,009,105	$24,272,650	19.7%
1998	$123,941,865	$24,568,323	19.8%
1999	$134,536,939	$26,170,810	19.5%
2000	$144,241,335	$23,920,813	16.6%
2001	$156,232,272	$24,220,880	15.5%
2002	$157,722,828	$31,315,948	19.9%
2003 Est	$163,231,920	$30,515,342	18.7%
2004 Budget	$173,455,839	$29,219,632	16.8%

Policy and Practice

The County will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the County's Aaa/AAA bond ratings.

The unrestricted governmental (general and special revenue) fund balance to governmental expenditures ratios will be maintained at a minimum of 11% or about eight weeks of working capital for operations (Current target 15%).

Fund balance reserves will not be used to offset continuous operation costs.

To the extent possible, reserves will be used to provide operating efficiencies over the long term.

The estimate for 2003 does not include unrealized gains or losses on investments. While the County typically holds these investments to maturity, generally accepted accounting principles require that these investments be recorded at their fair value. In 2002, unrealized gains resulted in additional income/unrestricted fund balance of $2.4 million.

SUMMARY OF PROJECTED FUND BALANCE
AS OF DECEMBER 31, 2003

SCHEDULE 1

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance December 31, 2002	$55,490,113	$10,042,100	$11,082,088 (C)	$14,702,554 (C)	$3,491,044	$32,944,777	$127,752,676
Reserved/designated fund balance	27,718,886	6,497,379	11,082,088	14,702,554	3,491,044	32,944,777	96,436,728
Unreserved Fund Balance January 1, 2003	$27,771,227	$3,544,721	$0	$0	$0	$0	$31,315,948
Excess of Revenues over (under) Expenditures	5,229,476	1,169,456	547,084	(744,932)	(704,846)	(5,024,472)	471,766
Net Operating Transfers in (out)	(2,201,248)	579,565	(400,000)	495,683	450,000	1,076,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	$3,028,228	$1,749,021	$147,084	($249,249)	($254,846)	($3,948,472)	$471,766
Total Projected Fund Balance Dec. 31, 2003	58,518,341	11,791,121	11,229,172	14,453,305	3,236,198	28,996,305	128,224,442
Reserved/Designated Fund Balance	32,228,527 (A)	7,565,593 (B)	11,229,172 (C)	14,453,305 (C)	3,236,198	28,996,305	97,709,100
Total Projected Unreserved Fund Balance	$26,289,814	$4,225,528	$0	$0	$0	$0	$30,515,342

Footnotes:
(A) Includes $8,330,668 designated in the 2004 budget.
(B) Includes $1,437,839 designated in 2004 budget.
(C) The Enterprise and Internal Service Fund balances include fixed assets and funds budgeted for ongoing capital projects, and may include some unreserved funds.

SUMMARY OF PROJECTED FUND BALANCE
AS OF DECEMBER 31, 2003

SCHEDULE 2

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Revenues:							
General Intergovernmental	$8,149,355	$59,964,371	$1,131,600	$	$	$4,478,869	$73,724,195
Taxes	44,373,401	19,081,861	843,053	655,000	10,988,538	4,667,706	80,609,559
Fines/Licenses	2,000,355	450,000					2,450,355
Charges for Services	13,650,536	5,938,883	5,985,156	302,557		276,000	26,153,132
Interdepartmental Revenue	2,630,519	365,704	350,017	9,522,739			12,868,979
Interest Income	4,749,146	130,000			360,000	500,000	5,739,146
Other Revenue	3,350,833	4,795,888	628,850	1,192,045		13,500,000	23,467,616
Total Revenues	$78,904,145	$90,726,707	$8,938,676	$11,672,341	$11,348,538	$23,422,575	$225,012,982
Expenditures:							
Personnel Costs	$51,317,647	$28,415,770	$2,467,549	$3,031,474	$	$	$85,232,440
Operating Expenses	14,923,302	55,271,488	4,416,805	8,972,195			83,583,790
Interdepartmental Charges	6,560,381	5,090,349	1,507,238	413,604			13,571,572
Fixed Asset/Capital Projects	873,339	779,644				28,447,047	30,100,030
Debt Service					12,053,384		12,053,384
Total Expenditures	$73,674,669	$89,557,251	$8,391,592 (A)	$12,417,273 (A)	$12,053,384	$28,447,047	$224,541,216
Excess of Revenues over (under) Expenditures (B)	$5,229,476	$1,169,456	$547,084	($744,932)	($704,846)	($5,024,472)	$471,766

Footnotes:
(A) Net of capital projects expenditures and revenues.
(B) Budgeted fund balances are responsible for the deficit amounts.

SUMMARY OF PROJECTED FUND BALANCE
AS OF DECEMBER 31, 2004

SCHEDULE 3

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance December 31, 2003	$58,518,341	$11,791,121	$11,229,172	$14,453,305	$3,236,198	$28,996,305	$128,224,442
Reserved/designated fund balance	32,228,527	7,565,593	11,229,172	14,453,305	3,236,198	28,996,305	97,709,100
Unreserved Fund Balance January 1, 2004	$26,289,814	$4,225,528	$0	$0	$0	$0	$30,515,342
Excess of Revenues over (under) Expenditures	(1,261,671)	(1,237,839) (A)	867,763	(358,306) (A)	(4,900,000) (A)	(6,260,570) (A)	(13,150,623) (A)
Net Operating Transfers in (out)	(8,642,837)	(200,000) (B)	(350,000) (C)	172,267 (D)	4,000,000	5,020,570	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	($9,904,508)	($1,437,839)	$517,763	($186,039)	($900,000)	($1,240,000)	($13,150,623)
Total Projected Fund Balance Dec. 31, 2004	48,613,833	10,353,282	11,746,935	14,267,266	2,336,198	27,756,305	115,073,819
Reserved/Designated Fund Balance	22,713,090	7,034,393	11,746,935 (E)	14,267,266 (E)	2,336,198	27,756,305	85,854,187
Total Projected Unreserved Fund Balance	$25,900,743	$3,318,889	$0	$0	$0	$0	$29,219,632

Footnotes:

(A) Budgeted fund balances are responsible for the deficit figures.

(B) Planned use of fund blance in the 2004 budget for the Tarmann Land Acquisitions Fund ($100,000 from the General Fund, $150,000 from the Golf Course Fund, and $200,000 from the Materials Recovery Facility) offset by a $650,000 transfer to the Capital Projects fund from Human Services.

(C) Planned transfer of Golf Course ($150,000) and Materials Recovery Facility ($200,000) fund balance to the Tarmann Land Acquisitions Fund.

(D) Planned use of General Fund balance in the 2004 budget for the End User Technology Support fund ($247,267) offset by a $75,000 repayment from the Collections Fund to the General Fund as repayment of prior year start-up funds.

(E) The Enterprise and Internal Service Fund balances include fixed assets and may include some unreserved funds.

FUNCTIONAL AREA SUMMARY BY FUND TYPE

2004 BUDGET

EXPENDITURES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
JUSTICE & LAW ENFORCEMENT	$40,819,094					$10,789,570	$51,608,664
HEALTH & HUMAN SERVICES	$5,456,411	$77,484,074				$725,000	$83,665,485
PARKS, ENV., EDUC., LAND USE	$12,760,699	$5,470,656	$6,980,897			$400,000	$25,612,252
PUBLIC WORKS	$8,292,419	$9,043,083	$1,077,091	$4,600,833		$14,519,800	$37,533,226
GENERAL ADMINISTRATION (b)	$14,829,403		$979,009	$8,026,902	$12,885,188	$1,910,000	$38,630,502
TOTAL EXPENDITURES	$82,158,026	$91,997,813	$9,036,997	$12,627,735	$12,885,188	$28,344,370	$237,050,129
REVENUES							
JUSTICE & PUBLIC SAFETY	$12,004,896					$375,468	$12,380,364
HEALTH & HUMAN SERVICES	$1,982,015	$60,639,939				$75,000	$62,696,954
PARKS, ENV., EDUC., LAND USE	$6,818,119	$2,144,830	$7,104,085				$16,067,034
PUBLIC WORKS	$1,642,614	$7,797,521	$631,661	$4,548,010		$1,225,000	$15,844,806
GENERAL ADMINISTRATION (b)	$9,577,543		$822,911	$6,914,152		$15,655,000	$32,969,606
TOTAL REVENUES	$32,025,187	$70,582,290	$8,558,657	$11,462,162	$0	$17,330,468	$139,958,764
FUND ADJUSTMENTS	$3,112,831	$1,237,839	$1,278,557	$794,622	$1,400,000	$6,260,570	$14,084,419
RETAINED EARNINGS			($1,161,670)	($153,049)	$0		($1,314,719)
TAX LEVY	**$47,020,008**	**$20,177,684**	**$361,453**	**$524,000**	**$11,485,188**	**$4,753,332**	**$84,321,665**

(a) Includes Contingency Fund.
(b) Includes Non-Departmental.

APPROPRIATION UNIT SUMMARY BY FUND TYPE

2004 BUDGET

EXPENDITURES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
PERSONNEL COSTS	$55,869,766	$29,875,072	$2,591,831	$3,314,595			$91,651,264
OPERATING EXPENSES	$18,792,316	$55,798,470	$4,837,119	$8,862,535			$88,290,440
INTERDEPARTMENTAL CHARGES	$6,762,539	$5,314,271	$1,608,047	$450,605			$14,135,462
FIXED ASSETS & IMPROVEMENTS	$733,405	$1,010,000				$28,344,370	$30,087,775
DEBT SERVICE					$12,885,188		$12,885,188
TOTAL EXPENDITURES	$82,158,026	$91,997,813	$9,036,997	$12,627,735	$12,885,188	$28,344,370	$237,050,129
REVENUES							
INTERGOVT. CONTRACTS/GRANTS	$6,915,931	$59,891,709	$850,000		$0	$2,630,468	$70,288,108
FINES & LICENSES	$2,328,445	$450,000			$0		$2,778,445
CHARGES FOR SERVICES	$11,729,670	$5,481,151	$6,206,585	$239,088	$0		$23,656,494
INTERDEPART. REVENUES	$3,218,346	$353,710	$399,622	$9,899,174	$0		$13,870,852
OTHER REVENUES	$7,832,795	$4,405,720	$1,102,450	$1,323,900	$0	$14,700,000	$29,364,865
TOTAL REVENUES	$32,025,187	$70,582,290	$8,558,657	$11,462,162	$0	$17,330,468	$139,958,764
FUND ADJUSTMENTS	$3,112,831	$1,237,839	$1,278,557	$794,622	$1,400,000	$6,260,570	$14,084,419
RETAINED EARNINGS			($1,161,670)	($153,049)	$0		($1,314,719)
TAX LEVY	**$47,020,008**	**$20,177,684**	**$361,453**	**$524,000**	**$11,485,188**	**$4,753,332**	**$84,321,665**

(a) Includes Contingency Fund.
(b) Includes Non-Departmental.

FUND DESCRIPTIONS

The following are capsule descriptions of each County fund. To the right of each description are the total 2004 expenditures and property tax levy for that fund.

	2004 Expenditure Budget	2004 Tax Levy
GENERAL FUND The General Fund is the largest single County fund. It is the primary operating fund of the County. It accounts for all revenues which are not required to be processed through another fund. Almost two-thirds of General Fund revenue is received from taxes, but it also receives fines, fees, intergovernmental revenues, interest earnings, and other revenues.		
TOTAL GENERAL FUND	$82,158,026	$47,020,008
SPECIAL REVENUE FUNDS Special revenue funds are used to account for the proceeds from specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specific purposes.		
Human Services Funds (excludes Public Health in General Fund above) To account for funds needed to provide economic assistance, income maintenance, counseling, state-mandated inpatient and outpatient mental health, alcohol, drug abuse and developmental disability services, children, adolescent and family services.	$69,533,641	$15,841,877
Child Support To account for federal, state and county funds that provide for administration and support of Child Support programs.	$2,154,359	$133,052
Federated Library Funds To account for funds provided to maintain a member library system.	$3,916,898	$2,769,187
Elderly Nutrition Fund To account for federal and state funds that provide for home delivered meals and congregate nutrition programs.	$1,146,074	$188,006
Community Development Block Grant Fund To account for federal funds to provide to other governmental units or nonprofit organizations to aid low income and other disadvantaged persons.	$4,650,000	$0
Transportation Fund To account for funds needed to provide all services on the County trunk highway system and selected non-county roads, including planning, designing maintenance and construction and to account for state funds provided on a reimbursement basis for performing maintenance and repair on other projects as specified on all state trunk highways within the County. To account for state, federal and local funds used to provide bus services to selected areas of the County.	$9,043,083	$1,245,562
Walter J. Tarmann Parkland Acquisition Fund To account for funds provided to acquire parkland and natural areas as identified in the Waukesha County Park and Open Space Plan.	$1,000,000	$0
Land Information Systems Fund To establish a countywide, integrated approach to linking land parcel locations to digital mapping and databases concerning property information.	$553,758	$0
SPECIAL REVENUE FUND TOTALS	$91,997,813	$20,177,684

FUND DESCRIPTIONS

	2004 Expenditure Budget	2004 Tax Levy
INTERNAL SERVICE FUNDS Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis.		
End User Technology Fund To finance the common technology infrastructure for County users. The fund is managed on a total cost of ownership basis, and is designed to identify the services provided and resources required by the Information Systems staff to support end user departments.	$3,024,095	$599,000
Vehicle/Equipment Replacement Fund To account for the costs associated with the financing of vehicle/equipment replacements when the individual item's cost equals or exceeds $7,500 and has a useful life of two or more years. Costs are billed to user departments based on the depreciable life of the asset.	$1,900,647	$0
Central Fleet Maintenance Fund To account for the costs associated with the maintenance, repairs and centralized fueling of all County-owned motorized equipment. Costs are billed to user departments based on work orders, time and material costs.	$2,700,186	$0
Communications Fund To account for the costs associated with the operation and maintenance of the County's telecommunication system. Costs are billed to user departments based on actual usage and equipment inventories.	$718,252	$0
Records Management Fund To account for the costs associated with the operation and maintenance of the County's central microfilming, records management services, contracted central printing and mail room services. Costs are billed to user departments based on time and material costs.	$1,641,095	$0
Risk Management Fund To account for the costs associated with loss control, the investigation and payment of employee claims, claims administration and the transfer of risk to third parties through purchased insurance coverage. Costs are allocated to other County departments mostly on a claims experience/exposure basis except for special insurance coverages which are charged based on actual costs. This fund also accounts for funds invested in the Wisconsin Municipal Mutual Insurance Company (WMMIC). The County, together with certain other units of government within the State of Wisconsin, created WMMIC to provide general and police professional liability, errors and omissions and vehicle liability coverage for counties or cities in Wisconsin.	$2,044,122	$0
Collection Management Fund To account for the costs associated with countywide delinquent account collection activity. Costs are allocated to other County departments based on costs of services provided. Negative tax levy reflects payback of Tax Levy provided for startup costs in the early years of operation.	$599,338	($75,000)
INTERNAL SERVICE FUND TOTALS	$12,627,735	$524,000

FUND DESCRIPTIONS

	2004 Expenditure Budget	2004 Tax Levy
ENTERPRISE FUNDS Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered, primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.		
Radio Service Fund To account for operations and maintenance of Countywide radio services, customers are billed on a fee for service basis.	$979,009	$0
Golf Courses Fund To account for operations and maintenance of the 3 County golf courses.	$3,215,265	$0
Exposition Center Fund To account for operations and maintenance of the County convention and meeting facility and grounds.	$819,930	$90,000
Ice Arenas Fund To account for operations and maintenance of the 2 County ice arenas.	$1,010,835	$0
Airport Operations/Development Fund To account for operations and maintenance of the County airport.	$1,077,091	$271,453
Materials Recovery Facility Fund To account for operations and maintenance in the processing and marketing of recyclable materials collected from municipalities within the County program.	$1,934,867	$0
ENTERPRISE FUND TOTALS	$9,036,997	$361,453
DEBT SERVICE FUNDS Debt service funds are used to account for the accumulation of resources for the payment of general long-term debt principal, interest and services costs. (Excludes debt services budgeted in Internal Service and Enterprise Funds). For further detailed information, see Debt Service, Section VIII.		
TOTAL DEBT SERVICE FUNDS	$12,885,188	$11,485,188
CAPITAL PROJECTS FUNDS All Capital project funds used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Governmental Fund projects total $27,224,370 and Proprietary Fund Capital projects total $1,120,000 included here but not shown above as Enterprise Operations.		
TOTAL CAPITAL PROJECTS FUNDS	$28,344,370	$4,753,332
TOTAL ALL FUNDS	$237,050,129	$84,321,665