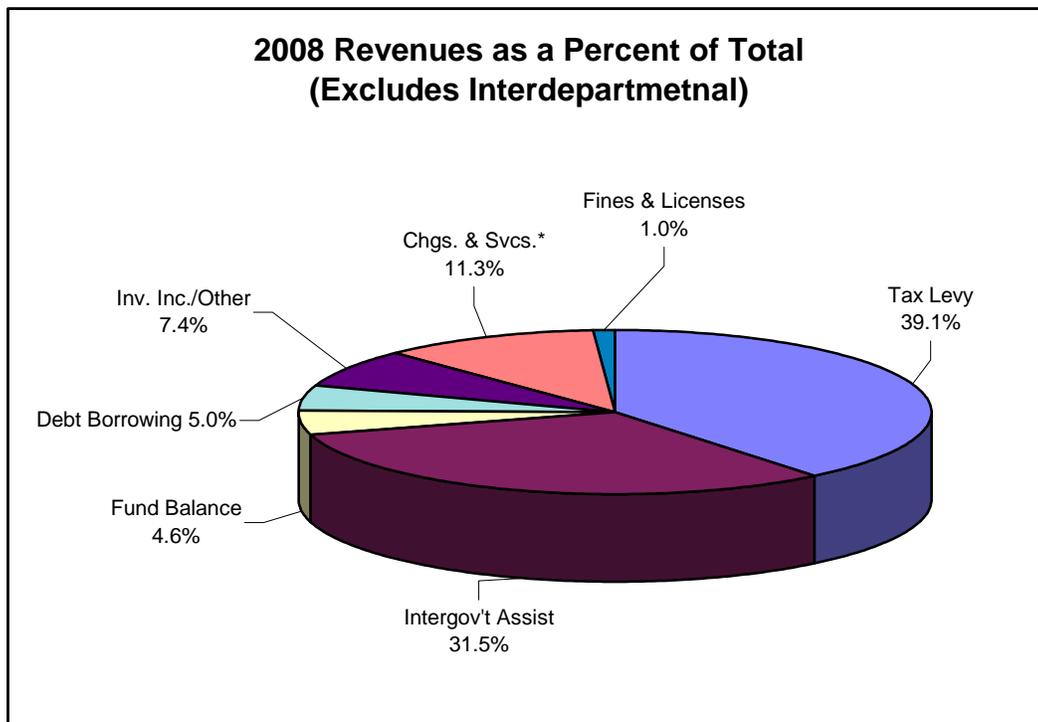

2008 REVENUE HIGHLIGHTS

Revenue Budget:

The 2008 revenue budget (excluding property tax levy, fund balance appropriations and revenue generating proprietary fund retained earnings) totals \$150,404,935, a decrease of \$2,286,641 or -1.5% from the 2007 adopted budget. The net revenue budget is \$134,143,908 after elimination of \$16,261,027 of interdepartmental revenues (mostly from internal service funds and cross charges, e.g. Sheriff Bailiff and Conveyance services etc.), which are in essence double-budgeted.

The 2008 revenues consist of departmental operating revenues budgeted at \$136,808,935 and capital project funding at \$13,596,000, including \$12,000,000 from planned borrowing. Overall, the operating revenues decrease over \$3.4 million or 2.4% from the prior year budget, while capital project revenues increase by \$1.1 million.

The graph below reflects the ratio of revenue sources budgeted for 2008 to all revenue sources, with Tax Levy of 39.1% and Intergovernmental Assistance of 31.5% (after excluding Interdepartmental Revenues) as the major revenue components.



* Excludes Retained Earnings

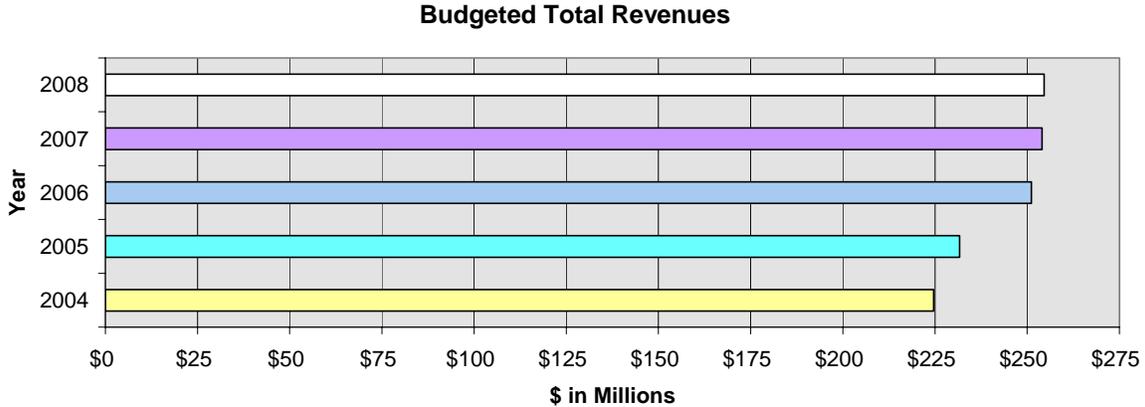
Revenue Projection Methodology

Realistic and accurate revenue forecasting is one of the primary building blocks in the development of a fiscally sound budget. The County combines four primary projection methods based on the unique characteristics of forecasted revenue. These methods include:

1. Informed/Expert Judgment (e.g., the advice of a department head).
2. Deterministic Techniques (e.g., formula based).
3. Time Series Technique (e.g., trend analysis, rolling averages)
4. Estimates from external sources or appropriated in adopted legislation (e.g., State and Federal governments).

2008 REVENUE HIGHLIGHTS

The graph below reflects the total revenue trends budgeted from all sources for 2004-2008. Revenues have shown annual increases during the five-year period, with the exception of intergovernmental assistance in 2006 and 2008 as outlined below.

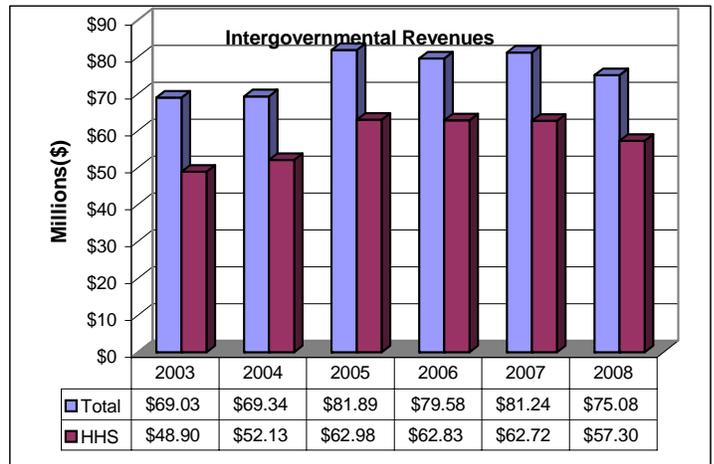


Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2008 adopted revenue budget, by source, follows. The 2005 budget amount shows a significant increase over 2004 due to an \$11.2 million increase in Department of Health and Human Services Revenue. This was mainly due to an increase of \$5.2 million in Autism Waiver Services and over \$5.9 million in Long Term Care Revenues. In 2006, revenue decreases correspond with lower budgeted spending mainly related to completion of justice and public safety capital projects. In the 2007 budget, total revenue increase by \$3.0 million largely due to nearly \$1.7 million increase in intergovernmental contracts, grants, state aids and shared revenues, a \$960,000 increase in charges for services and a net increase of \$400,000 in other revenue categories. The 2008 revenue budget increases by \$574,300. This increase is largely due to almost a \$1.5 million increase in charges for services, a \$1.8 million increase in debt borrowing, a \$1.8 million increase in tax levy and a \$1.7 million net increase in other revenue categories mostly offset by a \$6.15 million decrease in intergovernmental contracts, grants and State aid.

Intergovernmental Contracts & Grants:

Combined, total 2008 intergovernmental contracts, grants, state aids and state shared revenues are budgeted at \$75,081,988 representing a decrease of \$6,155,423 or 7.6% from the previous year's budget (see explanations below).

The Health and Human Services Functional Area (HHS F.A.) receives the majority of its State intergovernmental assistance funding from Federal and State sources. The Health and Human Services Functional Area includes the departments of Health and Human Services, Senior Services/ADRC, Veterans, Child Support Agency, and Community Development.



- Health and Human services intergovernmental revenue decreases by \$5,406,660 to \$57.3 million as follows:
 - **Health and Human Services Long-Term Care** traditional CIP/COP waiver funded services decrease by \$8.3 million due to the anticipated transition to the State's Long Term Care Reform initiative where clients are assessed through the Aging and Disability Resource center and if eligible are referred to a Care Management Organization provider beginning July 2008.
 - **Department of Health and Human Services** primary source the **Basic County Allocation (BCA)** from the State is reduced by \$1.5 million to \$9.9 million, which reflects the partial funding and responsibility shift from the County back to the State via a contract with Care Management Organizations to provide case management, community care and medical services to eligible Long Term Care Clients in 2008.
 - The **Public Health division** increases general government revenue by \$126,144 largely due to a \$77,438 increase in Federal Public Health Preparedness grant funding, a \$34,099 increase in Federal

2008 REVENUE HIGHLIGHTS

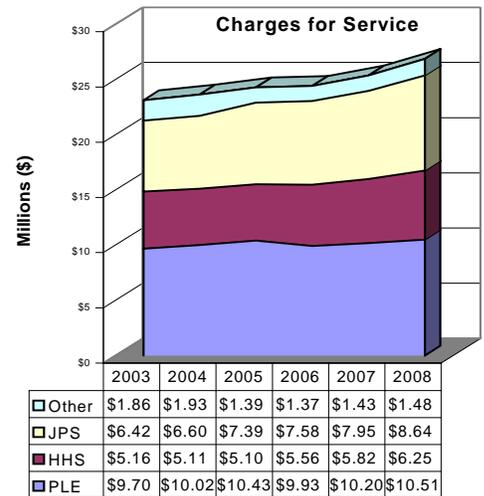
- Women, Infants and Children (WIC) grant funding, and a \$25,228 increase in the state/federal City Readiness Initiative grant funding.
- **Department of Senior Service** is increasing intergovernmental revenue by \$1,689,258 for the State Aging and Disability Resource Center (ADRC) grant funding.
- **Circuit Court** Services intergovernmental revenues are projected to increase by \$180,000. This includes an additional \$150,000 for the Circuit Court Support grant and a net increase of \$20,000 for the State interpreter reimbursements based on the Governor's proposed biennium budget.
- **Parks and Land Use** is budgeting for \$161,300 reduction of intergovernmental revenues largely due to the completion of the Comprehensive Planning (Smart Growth) to be complete by the end of 2007.
- **Public Works** is budgeting an additional \$443,900 in intergovernmental revenue largely due to increased maintenance along State roads. This results in increased expenditures and revenues of \$145,400 for a partial 2007-2008 season. Revenues and expenditures increase another \$260,000 or 7.3% for over-all increases from State reimbursement for State highway maintenance activities. The department is also anticipates a \$37,000 increase in General Transportation Aids (GTA).
- **Federal Community Development Block Grant** funding is estimated to increase by \$176,867 to \$3,019,867 which represents a \$95,324 increase in Community Development (CDBG) funding and a \$81,543 estimated increase in the HOME funding.

Charges for Services:

Charges for County Services (user fees) are budgeted at \$26,877,501, which represents an increase of approximately \$1,482,219 or about 5.8% from the 2007 adopted budget.

User Fees are charges for specific government services to those who utilize and value certain services. They provide an equitable, proportional user based charging method to continue service operations without relying solely on taxes from the general population. User fees collected include fees for document recording and real estate transfer and public admission for recreation usage within the Parks, Environment and Land Use area (PLE), client treatment, inpatient or residential services fees within the Health and Human Services area (HHS), and inmate stays, contracted patrols, and judicial and public safety within the Justice and Public Safety area (JPS).

- **Justice and Public Safety** Charges for Service revenues are increasing by \$690,850 to \$8.64 million largely due to the addition of the Town of Lisbon contract patrol coverage resulting in \$380,000 in new revenue; \$342,800 increase in Huber Board due to a \$2 a day increase in the day charge and because the department is budgeting for 22.5 additional working inmates. Emergency Preparedness increases by \$39,600 largely due to the addition of the shared Emergency Manager Services contract with Ozaukee County, and \$94,000 increase in Radio Services charges for service due to the Nextel re-banding project. These increases are partially offset by \$108,800 reduction in federal prisoner revenue as the Sheriff's Department is budgeting for 10 fewer federal inmates.
- **Health and Human Service** functional area revenues are increasing by \$434,000 to \$6.2 million largely due to a \$298,300 increase in revenues for the Comprehensive Community Services (CCS) program. The program allows the County to receive the federal share or approximately 60% of the cost for residential/rehabilitative and vocational service costs.
- **Register of Deeds** Charges for Service revenues increase \$183,945 to \$3.626 million. Revenue includes a \$150,000 increase in real estate transfer fees reflecting estimated transactions and continued property value growth in the County; \$18,600 from automated services available to the public to review real estate records; and \$15,000 increase in vital records revenue.



Fines and Licenses:

Overall fine and license revenues are estimated to total \$3,258,210 for 2008, an increase of approximately \$139,375, or 4.5% from the 2007 adopted budget.

- **Office of the Treasurer** is increasing the Agricultural Use Conversion Penalties revenue by \$50,000 to \$250,000 based on higher revenue experience and higher revenues expected to be generated in 2008.

Interdepartmental Revenues:

Interdepartmental revenues total \$16,261,027, an increase of \$656,147 or 4.2% from the 2007 adopted budget. Interdepartmental revenues are primarily related to internal service fund and cross charges for services provide by on County department to another, which are in essence double budgeted. These charges are originally

2008 REVENUE HIGHLIGHTS

funded through an external revenue source or tax levy in the service consumer (user) department budgets.

- Of the total increase nearly \$453,500 is in the Department of Administration (which contains most of the County's internal service funds) of which \$142,800 relates to total cost of computer ownership and countywide applications and technology infrastructure costs in the End User Technology fund; Risk Management and insurance costs increase \$103,600 based on claims experience, and \$127,300 is from a higher percentage of Countywide indirect cost recovery charges identify for 2008.
- Interdepartmental charges in the Sheriff's Department are increasing by \$105,615 due to increasing costs for bailiffs, transport services, conveyance and detective cross charges to departments requesting these services.

Other Revenues:

Revenues from other sources in the 2008 budget total \$17.7 million. This represents a net decrease of \$155,200 from the 2007 adopted budget.

- Health and Human Services other revenue sources decrease by \$739,000 to \$3.4 million mainly due to the transfer of Long Term Care Division clients to a Care Management Organization beginning July 2008 under the State's Long Term Care Reform initiative. It is anticipated that the County will be protective payee for fewer Long Term care clients who receive Social Security/Supplemental Security Income.
- **Community Development Block Grant** other revenues decrease by \$381,300 mainly due to the revolving loan program reductions.
- **Parks and Land Use** experiences almost a \$238,750 increase in other revenue largely due to \$120,000 revenue increase from recycling material sales.
- Other revenues in the **Office of the Treasurer** increase by \$390,000 largely due to an expected increase of \$350,000 from higher investment income expected to be earned based on more favorable rates of return.

Debt Financing:

The 2008 budget includes borrowing of \$12.0 million to finance a portion of 2008 capital projects. This represents an increase of \$1,800,000 in the level of borrowing from the 2007 adopted budget, however it is \$800,000 less than the adopted 2007-2011 Capital projects funding plan.

Appropriated Fund Balance

To reduce the 2007 tax levy (for 2008 budget purposes), the budget includes fund balance appropriations of \$11,058,023 for one-time projects or temporary expenditures. This includes \$8,153,023 for the operating budgets and \$2,905,000 for the Capital Projects budget.

Fund Balance Use in Fund / Department Budgets	General Fund	Special Revenue Funds	Internal Service Funds	Enterprise Funds	Capital Fund	Debt Service Fund	Total
Administration Dept.	\$8,700		\$1,679,247				\$1,687,947
Airport Fund				\$180,829			\$180,829
Capital Projects Budget	\$650,000		\$295,000	\$210,000	\$1,750,000		\$2,905,000
Circuit Court Services	\$60,000						\$60,000
Contingency Fund	\$1,000,000						\$1,000,000
Corporation Counsel Dept.		\$100,500					\$100,500
County Clerk Dept.	\$120,000						\$120,000
Debt Service Fund	\$580,000					\$400,000	\$980,000
District Attorney	\$55,000						\$55,000
Emergency Preparedness	\$269,750			\$331,256			\$601,006
End User Tech. Fund							\$0
Human Services Dept.		\$393,000					\$393,000
Non-Departmental Dept	\$970,000						\$970,000
Parks and Land Use Dept.	\$121,200	\$217,139		\$1,039,607			\$1,377,946
Public Works Dept	\$300,000	\$90,000	\$161,918				\$551,918
Senior Services Dept.		\$6,856					\$6,856
Sheriff Dept.	\$28,419		\$39,602				\$68,021
Total by Fund Type	\$4,163,069	\$807,495	\$2,175,767	\$1,761,692	\$1,750,000	\$400,000	\$11,058,023

Tax Levy:

The overall 2007 tax levy (for 2008 budget purposes) is \$93,125,601, which represents an increase of \$1,831,540 or 2.0% from the 2007 adopted budget. The total tax levy consists of general County purpose tax levy of \$90,461,773, a \$1,764,796 or 2.0% increase from the 2007 adopted budget, and the Federated Library tax levy of \$2,663,828, an increase of \$66,744 or 2.6% from the 2007 adopted budget.

The tax levy rate for the general County portion of the budget is \$1.7753 per \$1,000 of equalized value, a decrease of \$0.0544 or 3.0%. The tax levy rate for the Federated Library System is \$0.2159 per \$1,000 of equalized value, a decrease of \$0.0073 or 3.3%.