

COUNTY EXECUTIVE'S 2007 BUDGET

DEPT: CAPITAL OUTLAY/DEPRECIATION CONTRA

UNIT NO. 1985
FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

Pursuant to the provisions of Sections 59.17 and 59.51(2) of the Wisconsin Statutes, the County Board may represent the County and have the

management of the business and concerns of the County in all cases where no other provision is made.

BUDGET SUMMARY			
	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>2006/2007 Change</u>
Expenditures	\$ (9,069,980)	\$ (7,127,742)	\$ 1,942,238
Revenues	5,522,723	2,276,703	(3,246,020)
Property Tax Levy	\$ (14,592,703)	\$ (9,404,445)	\$ 5,188,258

Proprietary Fund departments include Enterprise Fund departments (e.g., Behavioral Health Division) and Internal Service Fund departments (e.g., DAS-Information Management Services Division). Budgeting for Proprietary Fund departments in accordance with Generally Accepted Accounting Principles (GAAP) requires that Proprietary Funds expense the cost of fixed assets over the life of the asset through depreciation. Prior to 1997, fixed assets were defined as buildings and equipment with a cost in excess of \$500. In 1997, the definitions regarding fixed assets changed. The per unit cost for non-computer equipment must exceed \$2,500 per unit and have a useful life greater than one year. Computer related equipment must exceed \$1,000 to be considered a fixed asset.

Appropriations for Depreciation are included in Proprietary Fund departmental budgets while appropriations for Capital Outlay - Fixed Assets, the original cost for the fixed asset, are excluded from those budgets. To ensure proper budgeting in accordance with GAAP, yet also ensure that these departments retain control over the purchase of

fixed assets, Proprietary Fund departments reflect an appropriation for Capital Outlay - Fixed Assets and an offsetting credit appropriation.

However, the cost of Capital Outlay - Fixed Assets for Proprietary Fund Departments should be included in the property tax levy. In order to achieve this, all capital outlay costs for Proprietary Fund Departments are included in this non-departmental budget. The costs for depreciation should not be included in the tax levy, therefore, an offsetting contra for all Proprietary Fund Departments' depreciation costs is included in this non-departmental budget. This budgetary procedure has no County-wide tax levy impact.

The following table depicts the capital outlay by department for 2007 compared to 2006, the amount of depreciation in 2007 compared to 2006 and finally, the combination of these two entries that determines the tax levy amount for this non-departmental budget.

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Org.	Department Name	2006 Capital Outlay	2007 Capital Outlay	2006/2007 Change
1150	DAS-Risk Management	\$ 0	\$ 0	\$ 0
1160	DAS-IMSD	138,331	60,000	(78,331)
5040	Airport	675,700	1,181,550	505,850
5070	Transportation Services	0	0	0
5080	Arch., Eng. & Environ Svcs	0	0	0
5300	Fleet Management	35,000	32,500	(2,500)
5600	Transit/Paratransit	423,000	343,000	(80,000)
5700	Facilities Management	0	0	0
6300	DHHS-Behavioral Health Division	87,235	0	(87,235)
TOTAL		\$ 1,359,266	\$ 1,617,050	\$ 257,784

Org.	Department Name	2006 Depreciation Contra	2007 Depreciation Contra	2006/2007 Change
1150	DAS-Risk Management	\$ (18,939)	\$ (18,939)	\$ 0
1160	DAS-IMSD	(1,889,500)	(1,523,100)	366,400
5040	Airport	(5,033,600)	(2,674,432)	2,359,168
5070	Transportation Services	(9,287)	(9,287)	0
5080	Arch., Eng. & Environ Svcs	(25,318)	(22,000)	3,318
5300	Fleet Management	(2,508,669)	(2,205,433)	303,236
5600	Transit/Paratransit	(2,465,000)	(2,224,000)	241,000
5700	Facilities Management	(2,619,900)	(2,555,200)	64,700
6300	DHHS-Behavioral Health Division	(705,800)	0	705,800
TOTAL		\$ (15,276,013)	\$ (11,232,391)	\$ 4,043,622

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Fund Type:	Org. Department Name	Capital Outlay	Depreciation Contra	Net Total Contra
Internal Service	1150-DAS-Risk Management	\$ 0	\$ (18,939)	\$ (18,939)
Internal Service	1160-DAS-IMSD	60,000	(1,523,100)	(1,463,100)
Enterprise	5040-Airport	1,181,550	(2,674,432)	(1,492,882)
Internal Service	5070-Transportation	0	(9,287)	(9,287)
Internal Service	5080-Arch., Eng. & Environ Srvs	0	(22,000)	(22,000)
Internal Service	5300-Fleet Management	32,500	(2,205,433)	(2,172,933)
Enterprise	5600-Transit/Paratransit	343,000	(2,224,000)	(1,881,000)
Internal Service	5700-Facilities Mgmt.	0	(2,555,200)	(2,555,200)
Enterprise	6300-DHHS-Behavioral Health Division	0	0	0
SUBTOTAL		\$ 1,617,050	\$ (11,232,391)	\$ (9,615,341)
Airport Capital Reserve Year-End Closing Entry*				210,896
TOTAL TAX LEVY IMPACT				\$ (9,404,445)

* To accurately budget the effect of the Agreement between General Mitchell International Airport (GMIA) and the carriers serving GMIA, this non-departmental budget reflects the fact that the Airport Capital Reserve will be charged and the general fund balance will be credited for \$1,181,550 as a year-end closing entry for the year 2007. This entry includes \$2,487,599 for non-terminal depreciation offset by contributions from reserves of \$1,181,500 for capitalized operating items and \$1,095,153 for principal on non-terminal GMIA and Lawrence J. Timmerman Airport debt, resulting in the net debit of \$210,896.

EXPENDITURES/REVENUE SUMMARY			
	<u>Expenditure</u>	<u>Revenue</u>	<u>Tax Levy</u>
Capital Outlay-reflects appropriations for Proprietary Fund departments	\$ 1,617,050	\$	\$
Depreciation Contra-offsets depreciation cost in Proprietary Fund departments.	(11,232,391)		
<u>Airport Year-End Closing Entry</u>			
Airport non-terminal depreciation	2,487,599		
Contribution from Capital Improvement Reserves:			
Payment for Airport capitalized operating items		1,181,550	
Non-Terminal Project Principal		1,095,153	
TOTAL	\$ (7,127,742)	\$ 2,276,703	\$ (9,404,445)