

County of Racine, Wisconsin Comprehensive Annual Financial Report For the year ended December 31, 2015



*Photo by
Scott D. Olsen*

COUNTY OF RACINE, WISCONSIN

Racine, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2015

Prepared by:

Racine County Finance Department

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INTRODUCTORY SECTION

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July 30, 2016

To the County Board of Supervisors and the Citizens of Racine County:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Racine for the fiscal year ended December 31, 2015. To satisfy requirements of state law and Racine County Ordinance, this report has been prepared by the County's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

Racine County management is responsible for the completeness and fairness of the information, including disclosures, presented in this report. We believe the information presented is complete and reliable in all material respects, and that it fairly presents the County's financial position and results of operations. To provide a reasonable basis for making these representations, management of the County has established a comprehensive framework of internal control. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

A firm of licensed certified public accountants, Baker Tilly Virchow Krause, LLP, has performed an independent audit of, and issued an unmodified opinion on, the County's financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in accordance with the audit requirements of *Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. -The auditors' report related specifically to the single audit is not included in this document, but is issued under separate cover.

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

Profile of the Government

Racine County operates under a County Executive who is responsible for the administrative functions of the County. The County Executive serves for a four year term and is elected on a non-partisan basis. The governing body of Racine County is comprised of 21 County Board Supervisors, each serving two-year terms and elected by a majority of voters from their respective district. The County Board is responsible for, among other things, passing ordinances, adopting the budget, and appointing committees. The County Executive is responsible for carrying out the policies and ordinances of the County Board, overseeing the day-to-day operations of the government, and appointing the heads of the various departments. The County elects the following offices to four year terms on a partisan basis, County Clerk, County Treasurer, Register of Deeds, County Sheriff, and Clerk of Courts.

Racine County provides a full range of services, including police protection and county jail (Sheriff's Office), nursing home care, highway and other infrastructure construction and maintenance, health and human services, recreational activities and events, and conservation and development activities.

The County is required to adopt a budget in conformance with Chapter 65.90 of the Wisconsin State Statutes. Adoption of the budget for the ensuing year takes place at the November County Board meeting. The County Board holds required public hearings on the proposed budget prior to adoption. The budget must list all existing indebtedness of the County and include anticipated revenues from all sources during the ensuing year, and must list all proposed appropriations for each department, activity and reserve account during the ensuing year. The budget must show actual revenues and expenditures for the prior year and not less than the first six months of the current year and estimated revenues and expenditures for the balance of the current year. Budget-to-actual comparisons are provided in the other supplementary information section of this report for each fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Racine County operates.

Local economy. Racine County, established in 1853, serves a population of approximately 196,000 and is located in southeastern Wisconsin, approximately 30 miles south of Milwaukee and 60 miles north of Chicago and is bounded on the east by Lake Michigan. The County encompasses an area of 333 square miles and consists of two cities, nine villages and six towns.

The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate over the past year. The December 2015 unemployment rate of 5.1% is lower than the 5.8% reported at the end of 2014. Racine County is world headquarters of S.C. Johnson Wax, a leading global manufacturer of chemical specialty products for home care, insect control, and personal care. Racine County is also home to over 450 manufacturing companies including CNH, a manufacturer of agricultural and construction equipment and In-Sink-Erator, the world's largest manufacturer of household and commercial disposer systems.

Long-term financial planning. To plan for the future, Racine County engages in a strategic planning process which focuses on long term planning and development of a plan that responds to changing national economic conditions, including the impact of technology on business and the loss of jobs in our community. As part of long range planning, the County develops a five-year capital improvement plan. The plan identifies major capital improvement projects and the methods to finance them.

Major Initiatives. The 2016 budget includes plans for

- Several road projects including Highways V, MM, and the roundabout at the intersection of Highways K and V.
- Public Works projects including the replacement of the Waterford Dam tainter gates, and treatment and reforestation of trees affected by the Emerald Ash Borer in county parks.
- Continued expansion of the county's revolving loan fund provided by Racine County Economic Development Corporation to support development of the I-94 corridor.
- Growth of the county's human services offerings, including continued expansion of the Behavioral Health Clinic to address unmet community needs.
- Purchase and implementation of an ERP system to replace out of date financial, payroll, and human resources systems.
- Obtaining law enforcement body cameras for the Sheriff's Office.

Relevant Financial Policies

Fund Balances. The County has adopted a Fund Balance Policy whereby it will maintain as "working capital" a balance between 16% and 25% of the next fiscal year's budgeted operating expenditures in the General Fund unrestricted fund balances. This "working capital" will be used to help cover revenue shortfalls or unanticipated expenditures and will be available to stabilize the tax rate and provide liquidity. This balance will allow the County to maintain a prudent level of financial reserves to guard against potential service disruptions. This policy has enabled the County to maintain strong fund balances which contribute to its continued Aa1 rating by Moody's. The County has been in compliance with its fund balance policy since 2006.

Debt Administration. The County continues to have low-cost access to the debt markets to finance various capital projects. It is management's objective to adequately plan to meet the County's ongoing demands for essential capital improvement projects and equipment without overburdening taxpayers with general obligation bonds payable from tax levies. As of December 31, 2015, the County was rated Aa1, stable by Moody's Investor Services on its long-term debt. Our recent rating, issued May 2016, remained unchanged. The County's ability to maintain a high rating has reduced our cost to issue debt. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such ratings may be obtained from such rating agency. The County has furnished to the rating agencies certain information and materials relating to the bonds and the County, including certain information and materials that have not been included in this financial report.

Risk management. Racine County is self funded for most risks, including workers' compensation, employee and retiree medical expenses, automobile, and public liability.

As part of this comprehensive plan, the County maintains stop-loss coverage and accumulates resources in the general fund to meet potential losses. The County effectively shifted eligible post-65 retirees (and eligible post-65 spouses) to a fully insured healthcare plan to manage rising healthcare costs in 2014, which has reduced long term debt obligations as reflected by the 2015 actuarial study. Additional information on Racine County's risk management activity can be found in Note IV.C of the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its annual financial report for the fiscal year ended December 31, 2014. In order to be awarded a Certificate of Achievement, the county must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and other County departments. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the County Executive and the County Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of Racine County.

Respectfully submitted,

A handwritten signature in blue ink that reads "Alexandra Tillmann". The signature is written in a cursive, flowing style.

Alexandra Tillmann
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

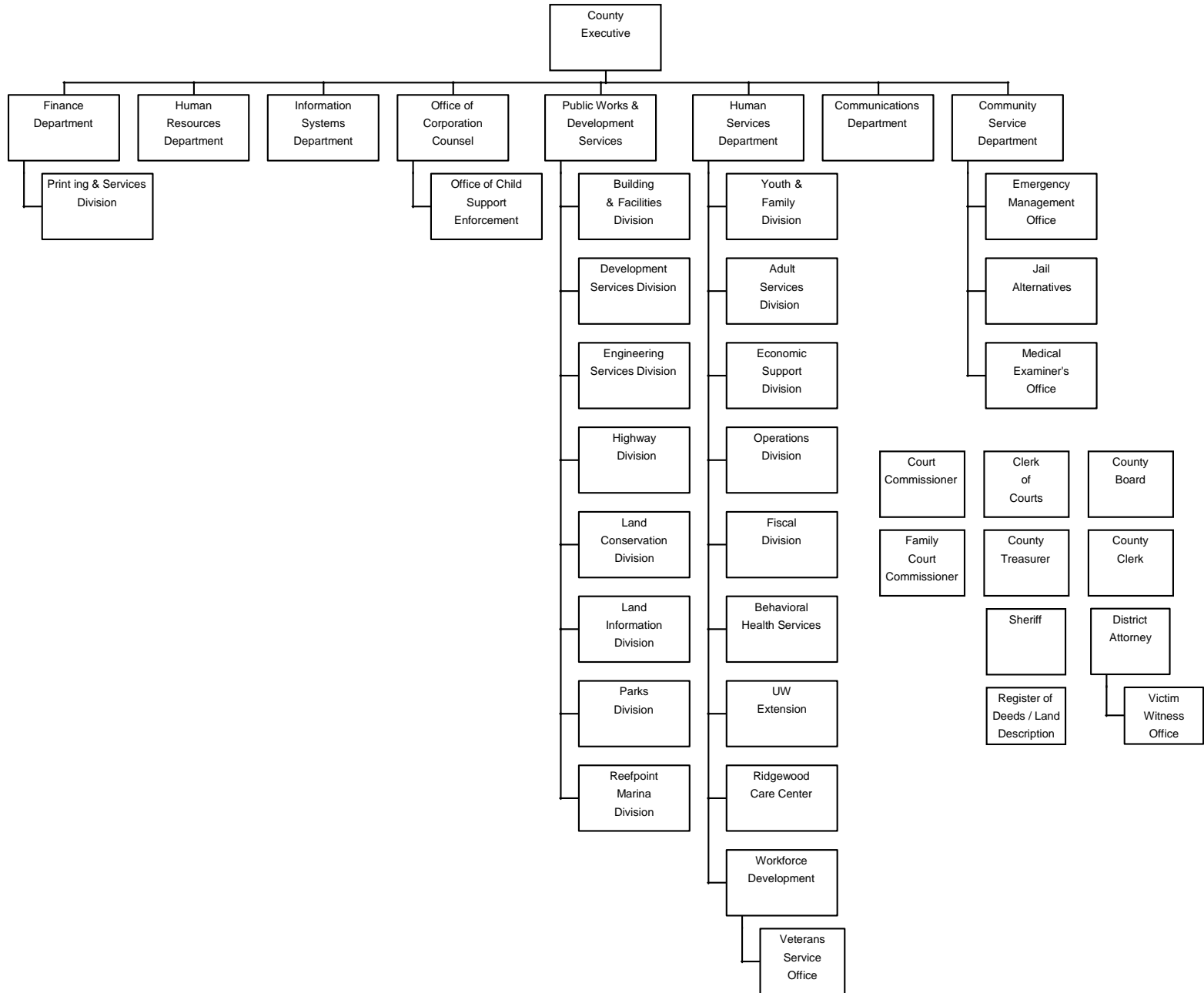
Presented to

**County of Racine
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



COUNTY OF RACINE PRINCIPAL OFFICIALS

County Elected Officials

County Executive.....Jonathan Delegrave
County ClerkWendy M. Christensen
County Treasurer.....Jane F. Nikolai
Register of DeedsTyson Fettes
Clerk of Circuit Court.....Sam Christensen
SheriffChristopher Schmaling

County Board of Supervisors (by District Number) *

1 – Donnie Snow	12 – Ronald Molnar
2 – Kiana K. Johnson	13 – Mark M. Gleason
3 – Monte Osterman	14 – Katherine Buske
4 – Kenneth Lumpkin	15 – John Wisch
5 – David Cooke	16 – Scott Maier
6 – Q.A. Shakoor, II	17 – Robert D. Grove
7 – Russell A. Clark, Chairman	18 – Thomas Roanhouse
8 – Brett A. Nielsen	19 – Tom Hincz
9- Pamela Zenner-Richards- Vice Chairman	20 – Thomas Pringle
10 – Janet Bernberg	21 – Mike Dawson
11 – Robert N. Miller	

Appointed Officials *

Finance DirectorAlexandra Tillmann
Corporation Counsel.....Jonathan F. Lehman
Human Resources DirectorKaren Galbraith
Acting Information Systems Director.....John Barrett
Human Services DirectorHope Otto
Public Works & Development Services DirectorJulie A. Anderson
Communications Director.....Jackie Bratz
Chief of StaffMary Therese Boyle

* - at the time this report is issued

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the Board of Supervisors
County of Racine
Racine, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Racine, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County of Racine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the County of Racine's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County of Racine's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Members of the Board of Supervisors
County of Racine

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Racine, Wisconsin, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Human Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the County of Racine adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Racine's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the County of Racine's basic financial statements for the year ended December 31, 2014, which are not presented with the accompanying financial statements. In our report dated July 30, 2015, we expressed an opinion that the 2014 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2014, as a whole.

To the Honorable Members of the Board of Supervisors
County of Racine

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Racine's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the County of Racine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Racine's internal control over financial reporting and compliance.

Baker Tilly Vinchow Krause, LLP

Milwaukee, Wisconsin
July 28, 2016

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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

As management of Racine County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2015. Please read it in conjunction with the letter of transmittal, which can be found on pages 1-4 of this report.

Financial Highlights

- The County's assets exceeded its liabilities at the close of the 2015 year by \$76.3 million (*net position*), \$64.8 million in governmental activities and \$11.5 million in business-type activities. The unrestricted net position of the County was a negative \$12.1 million.
- The County's total net position increased by \$6.1 million which was primarily due to increased governmental activities revenues and decreased governmental activities expenses. This resulted from various grant and revenue increases, fewer highway projects, and a \$.9 million decrease in juvenile corrections expenses.
- In June 2012, the GASB issued Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. These standards were implemented January 1, 2015. Therefore, the County has restated beginning net position related to the implementation. The County's 2014 comparative data as presented in this Management's Discussion and Analysis does not reflect the restatement.
- On December 31, 2015, the County's governmental funds maintained a combined fund balances of \$64.2 million. Approximately \$15.8 million, or 24.6% of the combined fund balance, is available for spending at the government's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

Government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Racine County's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event

COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015

giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Racine County include general government, public safety, health and social services, education and recreation, development, and highways and streets. The business-type activities of Racine County include Ridgewood healthcare center, Reefpoint Marina, behavioral health services and golf courses.

The government-wide financial statements can be found on pages 22-23 of this report.

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

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

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

The County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Human Services Fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

The County adopts an annual budget for all of its governmental funds, except the Permanent Fund. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the General Fund and for each individual, major special

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

revenue fund to demonstrate compliance with the budget. Budgetary comparisons for other funds with adopted budgets have been included in other supplementary financial information.

The basic governmental fund financial statements can be found on pages 24-29 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Racine County uses enterprise funds to account for its Ridgewood Healthcare Center, Reefpoint Marina, Behavioral Health Services, and golf courses. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Racine County uses internal service funds for its central fleet and the highway department. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. The Ridgewood Healthcare Center, Reefpoint Marina, and Behavioral Health Services are considered to be major funds of the County. The County's three internal service funds are combined into a single aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in combining statements in the supplemental information section of this report.

The proprietary fund financial statements can be found on pages 30-33 of this report.

Fiduciary funds account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because the resources of those funds are not available to support Racine County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County's fiduciary funds consist of agency funds which are used to account for monies received, held, and disbursed on behalf of the State of Wisconsin Court System located in the County; jail inmates; and certain other local governments.

The fiduciary fund financial statements can be found on page 34 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-77 of this report.

Required supplementary information provides information on the County's other postemployment benefits (OPEB) and pension plan on pages 78-80 of this report.

Supplementary information includes the combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds. Combining and individual fund statements are presented immediately following the required

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

supplementary information on pages 81-93 of this report. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 94-96 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Racine County, assets exceeded liabilities by \$76.3 million at the close of the most recent fiscal year.

The largest portion of the County's net position reflects its net investment in capital assets (e.g., land, improvements, buildings, infrastructure, machinery, and equipment, net of depreciation), less the outstanding debt that was used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additionally, the depreciation of capital assets is an expense for proprietary funds and therefore, as an expense, is available to be reimbursed through user fees of those funds.

Restricted net position represents resources that are subject to external restrictions (grant terms, laws or regulations, etc.) on how they may be used. Unrestricted net position represents the remaining amount of net position that is neither related to capital assets nor restricted for specific purposes.

RACINE COUNTY'S NET POSITION
(in thousands)

	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	Activities	Activities
	2015	2014	2015	2014	2015	2014
Current and other assets	\$145,678	\$134,408	\$6,691	\$5,551	\$152,369	\$139,959
Capital Assets	117,592	115,396	12,172	12,748	129,764	128,144
Total assets	263,270	249,804	18,863	18,299	282,133	268,103
Deferred outflows	8,110	1,334	1,524	112	9,634	1,446
Long-term liabilities	143,868	142,698	6,523	7,164	150,391	149,862
Other liabilities	11,602	12,010	2,393	2,618	13,995	14,628
Total liabilities	155,470	154,708	8,916	9,782	164,386	164,490
Deferred inflows	51,065	51,138	-	-	51,064	51,138
Net position						
Net investment in capital assets	73,461	71,577	6,065	6,142	79,526	77,719
Restricted	7,546	958	1,388	-	8,934	958
Unrestricted (deficit)	(16,162)	(27,243)	4,018	2,487	(12,144)	(24,756)
Total net position	\$64,845	\$45,292	\$11,471	\$8,629	\$76,316	\$53,921

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

As shown in the following table, the County's net position increased by \$6.1 million during the year.

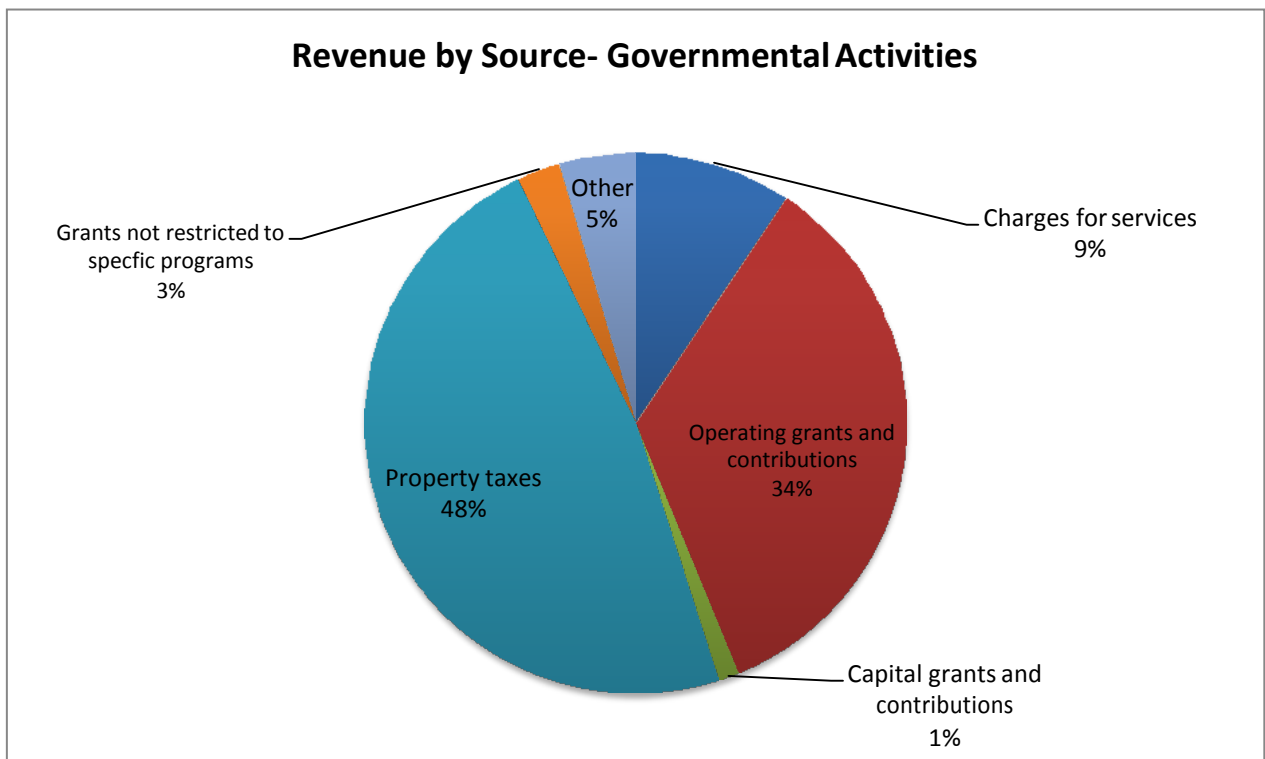
RACINE COUNTY'S CHANGE IN NET POSITION						
(in thousands)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$10,212	\$9,711	\$27,581	\$26,709	\$37,793	\$36,420
Operating grants and contributions	37,528	37,989	-	-	37,528	37,989
Capital grants and contributions	1,342	1,034	-	-	1,342	1,034
General Revenues:						
Property taxes	52,178	51,962	-	-	52,178	51,962
Grants not restricted to specific programs	2,772	2,745	-	-	2,772	2,745
Other	4,950	4,757	-	-	4,950	4,757
Total revenues	108,982	108,198	27,581	26,709	136,563	134,907
Expenses:						
General government	11,457	12,976	-	-	11,457	12,976
Public safety	38,894	38,394	-	-	38,894	38,394
Health and social services	37,726	38,695	-	-	37,726	38,695
Education and recreation	5,709	5,855	-	-	5,709	5,855
Development	2,267	2,440	-	-	2,267	2,440
Highways and streets	4,930	5,477	-	-	4,930	5,477
Interest and fiscal charges	1,252	1,445	-	-	1,252	1,445
Healthcare Center	-	-	16,541	16,575	16,541	16,575
Reefpoint Marina	-	-	1,515	1,407	1,515	1,407
Behavioral Health Services	-	-	9,948	9,118	9,948	9,118
Golf Courses	-	-	246	307	246	307
Total expenses	102,235	105,282	28,250	27,407	130,485	132,689
Change in net position before transfers	6,747	2,916	(669)	(698)	6,078	2,218
Transfers	(679)	(734)	679	734	-	-
Change in net position	6,068	2,182	10	36	6,078	2,218
Net position- beginning	45,292	43,110	8,629	8,593	53,921	51,703
Restatement	13,485	-	2,832	-	16,317	-
Net position-ending	\$ 64,845	\$ 45,292	\$ 11,471	\$ 8,629	\$ 76,316	\$ 53,921

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

Governmental Activities

Revenues for the County's governmental activities were \$108.9 million for fiscal year 2015, representing an increase of \$.8 million over fiscal year 2014. The variation between 2015 and 2014 is due to grant and fee increases at Human Services, new capital grants at Public Works Highway Division, and some growth in property tax revenues.

Sources of revenue for 2015 as a percentage of total revenues are shown below. Property taxes constitute the largest revenue source and remain consistent with the prior year.



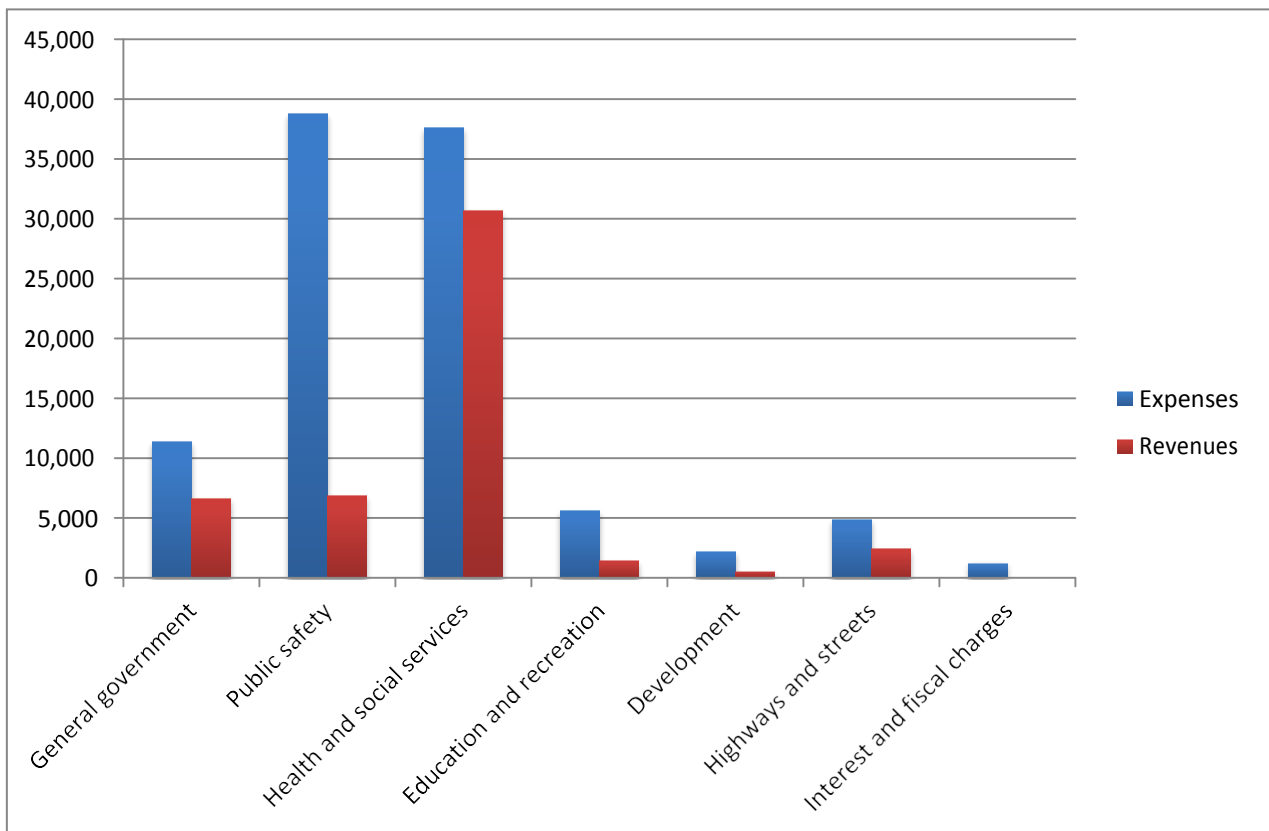
The County's expenses for governmental activities decreased by \$3 million, or 2.9%. The majority of the expense decrease is due to reductions in juvenile corrections expenses in health and human services, fewer highway projects, favorable winter conditions, and a shift of labor hours from county projects to state projects.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

Governmental activities expenses exceeded program revenues by \$53.2 million. When general revenues (which include such items as property taxes, investment earnings, and grants and contributions not restricted to specific programs) are included, total revenues exceed expenses by \$6.1 million after transfers.

The following graph illustrates the expenses and program revenues, which does not include general revenues, for each area.

Expenses and Program Revenues – Governmental Activities



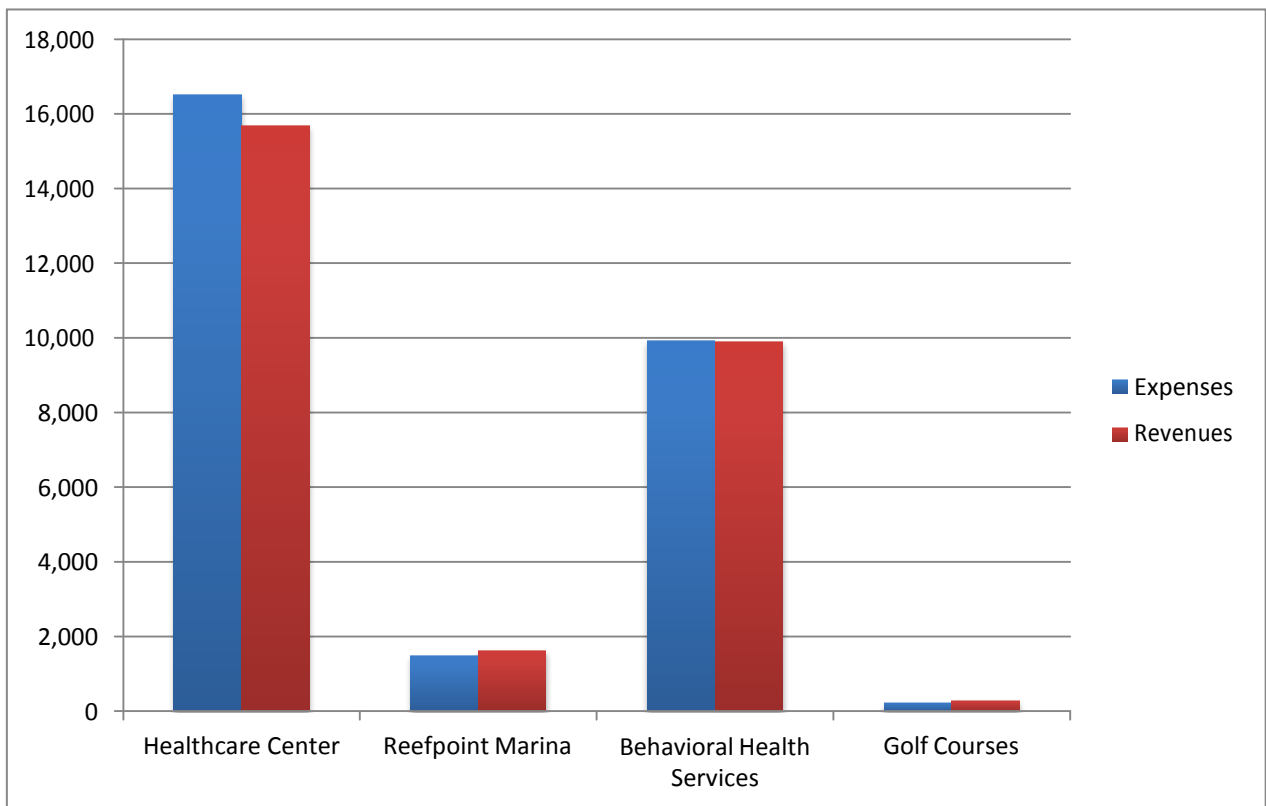
**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

Business-type Activities

Business-type activities (before transfers) decreased the County's net position by \$.67 million which is comparable to prior years. The healthcare center had a loss of approximately \$0.8 million and has continually posted losses since 2012 for a variety of reasons including allowable billing rates and maintaining mandatory staffing levels with fewer positions than budgeted (fill with overtime). Overall, 2015 expenses increased \$.8 million over 2014 and 2015 revenues increased \$.9 million over 2014 due to greater activity at Reefpoint Marina and Behavioral Health Services.

The following graph illustrates the expenses and program revenues, which does not include transfers, for each area.

Expenses and Program Revenues – Business-type Activities



**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

Financial Analysis of the County's Funds

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

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

At the end of the current fiscal year, Racine County's governmental funds reported combined fund balances of \$64.2 million, an increase of \$4 million from the prior year. Approximately 24.6% of this amount, \$15.8 million, is *unassigned fund balance*, which is available for spending at the governments' discretion. The remainder of fund balance is *nonspendable, restricted, committed* or *assigned* to indicate that it is not available for new spending because it has already been committed for inventory and prepaid items, non-current receivables, delinquent taxes, carryovers, endowment requirements, debt service or other purposes.

General fund. The General fund is the chief operating fund of the County. At year end, total fund balance of the General fund was \$51.3 million, of which 31%, or \$15.8 million, was unassigned. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers. Unassigned fund balance represents 23.2% of total General fund expenditures and transfers out, while total fund balance represents 75.1% of that same amount.

Fund balance of the County's General fund increased \$3 million from the prior year.

Human Services fund. The Human Services special revenue fund accounts for the revenue and expenditures associated with the Human Services Department. Human Services is the largest department within the County's government and receives a wide variety of intergovernmental revenues and a transfer of tax levy from the General Fund. The Human Services fund balance of \$5.5 million is mostly committed for specific purposes (an immaterial amount is nonspendable for prepaid expenses). Fund balance of the Human Services department increased by \$1.3 million from the prior year due to revenue surplus from grant and fee increases and expense reductions in juvenile corrections.

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

The unrestricted net positions of Ridgewood Healthcare Center, Behavioral Health Services, and Reefpoint Marina increased over the prior year. Ridgewood Healthcare Center had an increase of \$1.1 million in unrestricted net position mainly due to reduced liabilities on bonds payable and reductions in accounts payable. Behavioral Health Services increased unrestricted net position by \$.1 million and Reefpoint Marina also had a slight increase in unrestricted net position by 11% over the prior year.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original and the final amended budget resulted in a \$17.2 million increase in appropriations. Carryovers and encumbrances to the next fiscal year counted for nearly all of the increases.

Actual revenues of the general fund were \$1.1 million over the final amended budget. Intergovernmental revenues were \$1 million over budget due to the additional grants and service revenues, and the remainders of the additional revenues were due to fines and fees and miscellaneous revenues which are not budgeted.

Actual expenditures of the general fund were \$16.9 million under the final amended budget. Carryovers and encumbrances to the next fiscal year counted for nearly all of the increases.

The General Fund budgetary comparison is presented on page 28 of this report.

Capital Asset and Debt Administration

Capital assets. Racine County's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounted to \$129.8 million (net of accumulated depreciation), an increase of \$1.6 million from the prior year. This investment in capital assets includes buildings, improvements, machinery and equipment, park facilities, roads, highways and bridges, and construction in progress.

RACINE COUNTY'S CAPITAL ASSETS

(in thousands)

	Governmental Activities		Business-Type		Total	
	2015	2014	2015	2014	2015	2014
Land	\$21,812	\$21,812	\$1,132	\$1,132	\$22,944	\$22,944
Construction in progress	\$1,247	\$4,529	46	77	1,293	4,606
Buildings	38,461	38,592	8,194	8,693	46,655	47,285
Improvements	12,619	11,563	2,206	2,348	14,824	13,911
Machinery and equipment	9,295	8,983	594	498	9,890	9,481
Infrastructure	34,158	29,917	-	-	34,158	29,917
Total	\$ 117,592	\$ 115,396	\$ 12,172	\$ 12,748	\$129,764	\$128,144

Additional information on the County's capital assets can be found in Note III.D of this report.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2015**

Long-term debt. At the end of the current fiscal year, Racine County had \$60 million of general obligation debt outstanding. The County maintains an Aa1 rating from Moody's Investors Services on general obligation debt. Under current state statutes, the County's general obligation debt issues are subject to a legal limitation of 5% of the equalized value of taxable property in the County. As of December 31, 2015 the County's total amount applicable to the debt margin (outstanding notes less debt service fund balance) is \$59.4 million, which is significantly below the legal limit of \$694.8 million. The net debt per capita remained consistent with the previous year at \$305 at year end.

During the year, the County issued \$6.94 million of general obligation promissory notes, of which \$5.5 million would finance the cost of capital improvements within the County and \$1.4 million in general obligation notes would refund debt, resulting in a gain of \$.093 million. The County also issued \$1.0 million of taxable general obligation debt to finance the County's revolving loan fund.

Additional information on the County's long-term debt can be found in Note III.F of this report.

Economic Factors

Current economic conditions, including the recession, have impacted communities throughout Wisconsin and the nation. Major revenue sources of the County continue to be affected by the slower than expected economic recovery, historically low interest rates, and the County's responsibility for the delinquent taxes of all municipalities within its borders.

The State of Wisconsin has imposed tax levy limits on Wisconsin counties. Racine County's operating and debt tax levy rates cannot exceed the limit unless the County meets one of the exceptions under the statute. The statute establishes specific penalties for failure to meet the levy rate freeze requirements including the reduction of state shared revenues and transportation aids. The County levies for handicapped education, libraries, and bridge aids, are exempt from the levy limit.

Next Year's Budget and Rates

The 2016 general county-wide levy, which covers operations and debt services, remained the same as 2015. Other tax levies of the County include bridge aids, library, and county schools. Total revenues and expenses for the next budget are consistent with 2015 levels.

Requests for Information

This financial report is designed to provide a general overview of Racine County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Racine County Finance Director, 730 Wisconsin Ave, Racine, WI 53403.

General information relating to Racine County, Wisconsin, can be found at the County's website, www.racineco.com.

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BASIC FINANCIAL STATEMENTS

COUNTY OF RACINE, WISCONSIN
STATEMENT OF NET POSITION
December 31, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 53,238,430	\$ 1,308,071	\$ 54,546,501
Receivables (net of allowance for uncollectibles)	83,438,076	2,435,221	85,873,297
Internal balances	(1,281,674)	1,281,674	-
Inventories	1,036,087	131,443	1,167,530
Prepaid items	1,477,798	51,942	1,529,740
Restricted assets			
Cash and investments	1,155,804	94,919	1,250,723
Net pension asset	6,613,304	1,388,268	8,001,572
Capital assets not being depreciated:			
Land	21,812,455	1,131,762	22,944,217
Construction in progress	1,246,978	45,895	1,292,873
Capital assets being depreciated, net	<u>94,532,797</u>	<u>10,994,163</u>	<u>105,526,960</u>
Total assets	<u>263,270,055</u>	<u>18,863,358</u>	<u>282,133,413</u>
DEFERRED OUTFLOWS			
Deferred charges from debt refunding	1,205,922	76,710	1,282,632
Pension related amounts	<u>6,904,450</u>	<u>1,446,780</u>	<u>8,351,230</u>
Total deferred outflows	<u>8,110,372</u>	<u>1,523,490</u>	<u>9,633,862</u>
LIABILITIES			
Accounts payable and other current liabilities	10,889,475	1,368,874	12,258,349
Accrued interest payable	419,401	27,261	446,662
Due to other governments	124,422	-	124,422
Grant and user fee advances	168,436	943,989	1,112,425
Deposits	-	53,090	53,090
Noncurrent liabilities:			
Due within one year	9,889,721	941,098	10,830,819
Due in more than one year	<u>133,978,739</u>	<u>5,581,712</u>	<u>139,560,451</u>
Total liabilities	<u>155,470,194</u>	<u>8,916,024</u>	<u>164,386,218</u>
DEFERRED INFLOWS			
Property taxes levied for future periods	<u>51,064,781</u>	<u>-</u>	<u>51,064,781</u>
NET POSITION			
Net investment in capital assets	73,461,275	6,064,650	79,525,925
Restricted for:			
Recreational land acquisition	308,705	-	308,705
Expendable Endowments	144,014	-	144,014
Nonexpendable Endowments	264,246	-	264,246
Pensions	6,613,304	1,388,268	8,001,572
Debt Service	216,084	-	216,084
Unrestricted (deficit)	<u>(16,162,176)</u>	<u>4,017,906</u>	<u>(12,144,270)</u>
Total net position	<u>\$ 64,845,452</u>	<u>\$ 11,470,824</u>	<u>\$ 76,316,276</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 11,456,557	\$ 4,456,234	\$ 2,232,921	\$ -	\$ (4,767,402)	\$ -	\$ (4,767,402)
Public safety	38,893,997	2,609,591	4,364,112	-	(31,920,294)	-	(31,920,294)
Health and social services	37,726,141	2,609,429	28,134,296	-	(6,982,416)	-	(6,982,416)
Education and recreation	5,709,148	294,905	57,244	1,177,028	(4,179,971)	-	(4,179,971)
Development	2,267,218	241,907	382,763	-	(1,642,548)	-	(1,642,548)
Highways and streets	4,930,298	-	2,356,862	165,000	(2,408,436)	-	(2,408,436)
Interest and fiscal charges	1,252,408	-	-	-	(1,252,408)	-	(1,252,408)
Total governmental activities	<u>102,235,767</u>	<u>10,212,066</u>	<u>37,528,198</u>	<u>1,342,028</u>	<u>(53,153,475)</u>	<u>-</u>	<u>(53,153,475)</u>
Business-type activities:							
Healthcare Center	16,541,370	15,713,085	-	-	-	(828,285)	(828,285)
Reefpoint Marina	1,515,244	1,648,292	-	-	-	133,048	133,048
Behavioral Health Services	9,947,591	9,914,986	-	-	-	(32,605)	(32,605)
Golf Courses	245,428	304,450	-	-	-	59,022	59,022
Total business-type activities	<u>28,249,633</u>	<u>27,580,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(668,820)</u>	<u>(668,820)</u>
Total	<u>\$ 130,485,400</u>	<u>\$ 37,792,879</u>	<u>\$ 37,528,198</u>	<u>\$ 1,342,028</u>	<u>(53,153,475)</u>	<u>(668,820)</u>	<u>(53,822,295)</u>
General Revenues:							
Property taxes for general purposes					46,154,742	-	46,154,742
Property taxes for debt service					6,023,301	-	6,023,301
Other taxes					145	-	145
Grants not restricted to specific programs					2,771,696	-	2,771,696
Unrestricted investment earnings					2,841,700	54	2,841,754
Other					2,108,633	-	2,108,633
Transfers					(679,048)	679,048	-
Total general revenues and transfers					<u>59,221,169</u>	<u>679,102</u>	<u>59,900,271</u>
Change in net position					6,067,694	10,282	6,077,976
NET POSITION							
Beginning of year (as restated)					<u>58,777,758</u>	<u>11,460,542</u>	<u>70,238,300</u>
End of year					<u>\$ 64,845,452</u>	<u>\$ 11,470,824</u>	<u>\$ 76,316,276</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
BALANCE SHEET - GOVERNMENTAL FUNDS
As of December 31, 2015

	General	Human Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 53,236,705	\$ 1,025	\$ -	\$ 53,237,730
Receivables:				
Property taxes	43,475,274	-	7,589,507	51,064,781
Delinquent property taxes (net of uncollectibles of \$663,808)	15,007,795	-	-	15,007,795
Loans	2,168,094	-	-	2,168,094
Due from other governments	1,522,684	4,591,015	165,000	6,278,699
Interest and penalties	6,710,599	-	-	6,710,599
Accounts	976,639	382,806	19,640	1,379,085
Due from other funds	1,272,854	3,124,826	8,429,862	12,827,542
Inventories	9,205	-	-	9,205
Prepaid items	1,467,076	9,555	-	1,476,631
Restricted cash and investments	<u>308,705</u>	<u>-</u>	<u>847,099</u>	<u>1,155,804</u>
Total assets	<u>\$ 126,155,630</u>	<u>\$ 8,109,227</u>	<u>\$ 17,051,108</u>	<u>\$ 151,315,965</u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,464,973	\$ 2,497,296	\$ 2,054,979	\$ 7,017,248
Accrued liabilities	3,151,450	-	-	3,151,450
Due to other governments	124,422	-	-	124,422
Due to other funds	16,962,001	-	-	16,962,001
Grant and user fee advances	<u>70,204</u>	<u>98,232</u>	<u>-</u>	<u>168,436</u>
Total liabilities	<u>22,773,050</u>	<u>2,595,528</u>	<u>2,054,979</u>	<u>27,423,557</u>
 Deferred Inflows				
Unavailable revenues	8,640,111	-	-	8,640,111
Property taxes levied for future periods	<u>43,475,274</u>	<u>-</u>	<u>7,589,507</u>	<u>51,064,781</u>
Total deferred inflows	<u>52,115,385</u>	<u>-</u>	<u>7,589,507</u>	<u>59,704,892</u>
 Fund Balances				
Nonspendable	16,921,458	9,555	264,246	17,195,259
Restricted for				
Recreational land acquisition	308,705	-	-	308,705
Debt service	-	-	635,485	635,485
Endowments	-	-	144,014	144,014
Committed	18,209,733	-	5,126,316	23,336,049
Assigned	-	5,504,144	1,236,561	6,740,705
Unassigned	<u>15,827,299</u>	<u>-</u>	<u>-</u>	<u>15,827,299</u>
Total fund balances	<u>51,267,195</u>	<u>5,513,699</u>	<u>7,406,622</u>	<u>64,187,516</u>
 Total liabilities, deferred inflows, and fund balances	 <u>\$ 126,155,630</u>	 <u>\$ 8,109,227</u>	 <u>\$ 17,051,108</u>	 <u>\$ 151,315,965</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2015

Fund balances of governmental funds \$ 64,187,516

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

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

Land	21,812,455
Construction in progress	1,246,978
Capital assets being depreciated, net	94,532,797
Less: Internal service fund capital assets, net of depreciation	(8,781,761)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	8,640,111
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Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds:

General obligation debt	(53,835,678)
Unamortized premium on long-term debt	(1,770,524)
Compensated absences	(3,442,146)
Claims and judgments	(2,777,935)
Net OPEB obligation	(82,042,177)
Less: Internal service fund general obligation debt	76,336
Accrued interest on long-term debt	(419,401)

A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds.	1,205,922
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The net pension asset does not relate to current financial resources and are not reported in the governmental funds less amounts reported in the internal service funds.	6,045,378
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds less amounts reported in the internal service funds.	6,317,539
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal services funds are in governmental activities.	<u>13,850,042</u>
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Net position of governmental activities **\$ 64,845,452**

The accompanying notes are an integral part of the financial statements.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>General</u>	<u>Human Services Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 44,187,478	\$ -	\$ 6,950,200	\$ 51,137,678
Intergovernmental	13,563,075	25,855,424	2,475,190	41,893,689
Fines and fees	8,600,190	796,660	-	9,396,850
Investment income (loss)	2,849,704	-	(7,987)	2,841,717
Miscellaneous	<u>950,380</u>	<u>1,079,199</u>	<u>1,059,798</u>	<u>3,089,377</u>
Total revenues	<u>70,150,827</u>	<u>27,731,283</u>	<u>10,477,201</u>	<u>108,359,311</u>
EXPENDITURES				
Current:				
General government	11,205,047	-	-	11,205,047
Public safety	35,589,333	-	-	35,589,333
Health and social services	5,437,891	31,979,760	-	37,417,651
Education and recreation	4,231,779	-	818,298	5,050,077
Development	1,426,918	-	-	1,426,918
Highways and streets	707,199	-	7,620,604	8,327,803
Capital outlay	1,203,728	-	2,906,918	4,110,646
Debt service:				
Principal retirement	-	-	5,526,177	5,526,177
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>1,447,931</u>	<u>1,447,931</u>
Total expenditures	<u>59,801,895</u>	<u>31,979,760</u>	<u>18,319,928</u>	<u>110,101,583</u>
Excess (deficiency) of revenues over expenditures	<u>10,348,932</u>	<u>(4,248,477)</u>	<u>(7,842,727)</u>	<u>(1,742,272)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,078,116	6,119,200	7,906,370	15,103,686
Transfers out	(8,463,790)	(553,304)	(7,072,681)	(16,089,775)
Issuance of general obligation debt	-	-	6,565,000	6,565,000
Proceeds from the sale of capital assets	-	-	19,640	19,640
Net premium on issuance of debt	<u>-</u>	<u>-</u>	<u>129,061</u>	<u>129,061</u>
Total other financing sources (uses)	<u>(7,385,674)</u>	<u>5,565,896</u>	<u>7,547,390</u>	<u>5,727,612</u>
Net change in fund balances	2,963,258	1,317,419	(295,337)	3,985,340
FUND BALANCES				
Beginning of year	<u>48,303,937</u>	<u>4,196,280</u>	<u>7,701,959</u>	<u>60,202,176</u>
End of year	<u>\$ 51,267,195</u>	<u>\$ 5,513,699</u>	<u>\$ 7,406,622</u>	<u>\$ 64,187,516</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$ 3,985,340

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	4,110,646
Some items reported as current expenditures in the funds were capitalized	3,048,243
Depreciation is reported in the government-wide financial statements	(5,133,696)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position	(9,120)

The change in net position of the internal service funds is reported with governmental activities. 597,938

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements. 603,432

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position.

Debt issued	(6,565,000)
Principal repaid	5,526,177

Governmental funds report debt premiums and discounts as other financing sources (uses). However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and is reported as interest expense.

Net debt premiums and discounts	(129,061)
Net amortization of debt premiums and discounts	185,384

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

Accrued interest on long-term debt	138,045
Amortization of deferred loss on refunding	(127,777)
Compensated absences	57,207
Claims and judgments	(5,826)
Net pension asset and deferred outflows related to pensions	34,991
Net OPEB Obligation	<u>(249,229)</u>

Changes in net position of the governmental activities **\$ 6,067,694**

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Taxes	\$ 44,187,333	\$ 44,187,478	\$ 44,187,478	\$ -
Intergovernmental	11,282,658	12,567,136	13,563,075	995,939
Fines and fees	8,317,350	8,547,069	8,600,190	53,121
Investment income	3,480,000	2,848,779	2,849,704	925
Miscellaneous	<u>365,258</u>	<u>943,683</u>	<u>950,380</u>	<u>6,697</u>
Total revenues	<u>67,632,599</u>	<u>69,094,145</u>	<u>70,150,827</u>	<u>1,056,682</u>
EXPENDITURES				
Current:				
General government	12,609,695	28,073,008	11,205,047	16,867,961
Public safety	34,570,287	36,653,139	35,589,333	1,063,806
Health and social services	5,986,478	5,391,864	5,437,891	(46,027)
Education and recreation	4,276,035	4,346,317	4,231,779	114,538
Development	1,296,595	1,553,314	1,426,918	126,396
Highways and streets	801,550	702,383	707,199	(4,816)
Capital outlay	<u>-</u>	<u>-</u>	<u>1,203,728</u>	<u>(1,203,728)</u>
Total expenditures	<u>59,540,640</u>	<u>76,720,025</u>	<u>59,801,895</u>	<u>16,918,130</u>
Excess (deficiency) of revenues over expenditures	<u>8,091,959</u>	<u>(7,625,880)</u>	<u>10,348,932</u>	<u>17,974,812</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	265,000	1,078,116	1,078,116	-
Transfers out	<u>(8,426,901)</u>	<u>(8,463,790)</u>	<u>(8,463,790)</u>	<u>-</u>
Total other financing sources (uses)	<u>(8,161,901)</u>	<u>(7,385,674)</u>	<u>(7,385,674)</u>	<u>-</u>
Net change in fund balances	<u>\$ (69,942)</u>	<u>\$ (15,011,554)</u>	2,963,258	<u>\$ 17,974,812</u>
FUND BALANCES				
Beginning of year			<u>48,303,937</u>	
End of year			<u>\$ 51,267,195</u>	

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
HUMAN SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 25,857,265	\$ 26,958,179	\$ 25,855,424	\$ (1,102,755)
Fines and fees	244,179	244,179	796,660	552,481
Miscellaneous	<u>757,914</u>	<u>757,914</u>	<u>1,079,199</u>	<u>321,285</u>
Total revenues	<u>26,859,358</u>	<u>27,960,272</u>	<u>27,731,283</u>	<u>(228,989)</u>
EXPENDITURES				
Current:				
Health and social services	<u>32,565,458</u>	<u>33,570,667</u>	<u>31,979,760</u>	<u>1,590,907</u>
Total expenditures	<u>32,565,458</u>	<u>33,570,667</u>	<u>31,979,760</u>	<u>1,590,907</u>
Excess (deficiency) of revenues over expenditures	<u>(5,706,100)</u>	<u>(5,610,395)</u>	<u>(4,248,477)</u>	<u>1,361,918</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,706,100	6,119,200	6,119,200	-
Transfers out	<u>(422,083)</u>	<u>(553,304)</u>	<u>(553,304)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,284,017</u>	<u>5,565,896</u>	<u>5,565,896</u>	<u>-</u>
Net change in fund balances	<u>\$ (422,083)</u>	<u>\$ (44,499)</u>	1,317,419	<u>\$ 1,361,918</u>
FUND BALANCES				
Beginning of year			<u>4,196,280</u>	
End of year			<u>\$ 5,513,699</u>	

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2015

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities
	Ridgewood Healthcare Center	Reefpoint Marina	Behavioral Health Services	Golf Courses (Nonmajor)		Internal Service Funds
ASSETS						
Current assets						
Cash and investments	\$ 1,500	\$ 1,089,879	\$ -	\$ 216,692	\$ 1,308,071	\$ 700
Receivables (net of allowance for uncollectibles)	785,259	32,628	316,551	13,096	1,147,534	89,764
Due from other governments	1,162,291	-	125,396	-	1,287,687	739,259
Due from other funds	-	-	464,826	1,138,345	1,603,171	3,804,142
Inventories	113,626	17,817	-	-	131,443	1,026,882
Prepaid items	42,609	9,146	187	-	51,942	1,167
Total current assets	<u>2,105,285</u>	<u>1,149,470</u>	<u>906,960</u>	<u>1,368,133</u>	<u>5,529,848</u>	<u>5,661,914</u>
Noncurrent assets						
Restricted assets:						
Cash and investments	94,919	-	-	-	94,919	-
Net pension asset	1,201,834	-	186,434	-	1,388,268	567,926
Capital assets not being depreciated:						
Land	1	-	-	1,131,761	1,131,762	-
Construction in progress	45,895	-	-	-	45,895	225,471
Capital assets being depreciated:						
Buildings	12,667,547	3,703,067	-	1,742,032	18,112,646	6,495,372
Improvements other than buildings	264,383	1,175,910	-	3,961,010	5,401,303	1,935,226
Machinery and equipment	2,466,203	193,444	-	-	2,659,647	11,391,880
Less: accumulated depreciation	(10,999,419)	(645,716)	-	(3,534,298)	(15,179,433)	(11,266,188)
Total capital assets	<u>4,444,610</u>	<u>4,426,705</u>	<u>-</u>	<u>3,300,505</u>	<u>12,171,820</u>	<u>8,781,761</u>
Total noncurrent assets	<u>5,741,363</u>	<u>4,426,705</u>	<u>186,434</u>	<u>3,300,505</u>	<u>13,655,007</u>	<u>9,349,687</u>
Total assets	<u>7,846,648</u>	<u>5,576,175</u>	<u>1,093,394</u>	<u>4,668,638</u>	<u>19,184,855</u>	<u>15,011,601</u>
DEFERRED OUTFLOWS						
Deferred charges	76,710	-	-	-	76,710	-
Pension related amounts	1,252,099	-	194,681	-	1,446,780	586,911
Total deferred outflows	<u>1,328,809</u>	<u>-</u>	<u>194,681</u>	<u>-</u>	<u>1,523,490</u>	<u>586,911</u>
LIABILITIES						
Current liabilities						
Accounts payable and other current liabilities	725,739	80,235	552,900	10,000	1,368,874	720,777
Accrued interest payable	18,778	8,483	-	-	27,261	-
Due to other funds	298,703	22,794	-	-	321,497	951,357
Grant and user fee advances	261,099	682,890	-	-	943,989	-
Deposits	53,090	-	-	-	53,090	-
Compensated absences	311,930	-	-	-	311,930	-
Current maturities on long-term debt	398,514	230,654	-	-	629,168	9,241
Total current liabilities	<u>2,067,853</u>	<u>1,025,056</u>	<u>552,900</u>	<u>10,000</u>	<u>3,655,809</u>	<u>1,681,375</u>
Noncurrent liabilities						
Long term maturities on long-term debt	1,462,279	4,119,433	-	-	5,581,712	67,095
Total liabilities	<u>3,530,132</u>	<u>5,144,489</u>	<u>552,900</u>	<u>10,000</u>	<u>9,237,521</u>	<u>1,748,470</u>
NET POSITION						
Net investment in capital assets	2,687,527	76,618	-	3,300,505	6,064,650	8,705,425
Restricted for pensions	1,201,834	-	186,434	-	1,388,268	567,926
Unrestricted	1,755,964	355,068	548,741	1,358,133	4,017,906	4,576,691
Total net position	<u>\$ 5,645,325</u>	<u>\$ 431,686</u>	<u>\$ 735,175</u>	<u>\$ 4,658,638</u>	<u>\$ 11,470,824</u>	<u>\$ 13,850,042</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities
	Ridgewood Healthcare Center	Reefpoint Marina	Behavioral Health Services	Golf Courses (Nonmajor)		Internal Service Funds
OPERATING REVENUES						
Charges for services	15,713,085	1,552,524	9,808,675	303,197	\$ 27,377,481	\$ -
Highway charges and fees	-	-	-	-	-	10,483,191
Other	-	95,768	106,311	1,253	203,332	37,493
Total operating revenues	<u>15,713,085</u>	<u>1,648,292</u>	<u>9,914,986</u>	<u>304,450</u>	<u>27,580,813</u>	<u>10,520,684</u>
OPERATING EXPENSES						
Resident services	10,367,444	-	-	-	10,367,444	-
Operations and maintenance	1,168,691	1,226,041	9,947,591	29,791	12,372,114	-
Administration	3,945,302	-	-	-	3,945,302	-
Highway maintenance	-	-	-	-	-	9,493,600
Other	378,473	-	-	-	378,473	-
Depreciation	576,416	184,537	-	215,637	976,590	734,388
Total operating expenses	<u>16,436,326</u>	<u>1,410,578</u>	<u>9,947,591</u>	<u>245,428</u>	<u>28,039,923</u>	<u>10,227,988</u>
Operating income (loss)	<u>(723,241)</u>	<u>237,714</u>	<u>(32,605)</u>	<u>59,022</u>	<u>(459,110)</u>	<u>292,696</u>
NONOPERATING REVENUES (EXPENSE)						
Interest income	54	-	-	-	54	-
Interest expense	(70,777)	(105,320)	-	-	(176,097)	(1,799)
Amortization expense	(31,013)	654	-	-	(30,359)	-
Loss on disposal of capital assets	(3,254)	-	-	-	(3,254)	-
Total nonoperating revenues (expense)	<u>(104,990)</u>	<u>(104,666)</u>	<u>-</u>	<u>-</u>	<u>(209,656)</u>	<u>(1,799)</u>
Income (loss) before transfers	<u>(828,231)</u>	<u>133,048</u>	<u>(32,605)</u>	<u>59,022</u>	<u>(668,766)</u>	<u>290,897</u>
TRANSFERS						
Transfers in	765,222	-	-	-	765,222	769,620
Transfers out	(35,479)	-	(50,695)	-	(86,174)	(462,579)
Total net transfers	<u>729,743</u>	<u>-</u>	<u>(50,695)</u>	<u>-</u>	<u>679,048</u>	<u>307,041</u>
Change in net position	(98,488)	133,048	(83,300)	59,022	10,282	597,938
NET POSITION						
Beginning of year (as restated)	<u>5,743,813</u>	<u>298,638</u>	<u>818,475</u>	<u>4,599,616</u>	<u>11,460,542</u>	<u>13,252,104</u>
End of year	<u>\$ 5,645,325</u>	<u>\$ 431,686</u>	<u>\$ 735,175</u>	<u>\$ 4,658,638</u>	<u>\$ 11,470,824</u>	<u>\$ 13,850,042</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Totals</u>	<u>Governmental Activities</u>
	<u>Ridgewood Healthcare Center</u>	<u>Reefpoint Marina</u>	<u>Behavioral Health Services</u>	<u>Golf Courses (Nonmajor)</u>		<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Received from customers and users	\$ 16,433,323	\$ 1,615,602	\$ 11,012,697	\$ 318,438	\$ 29,380,060	\$ 7,636,309
Received from interfund services provided	-	353,237	-	-	353,237	3,434,609
Paid for interfund services provided	(329,854)	-	(1,048,566)	(237,625)	(1,616,045)	(2,194,983)
Paid to suppliers	(6,322,181)	(1,237,818)	(8,474,006)	(40,643)	(16,074,648)	(3,423,265)
Paid to employees	(9,742,772)	-	(1,439,430)	-	(11,182,202)	(4,833,464)
Net cash from operating activities	<u>38,516</u>	<u>731,021</u>	<u>50,695</u>	<u>40,170</u>	<u>860,402</u>	<u>619,206</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interest income	54	-	-	-	54	-
Transfers in	765,222	-	-	-	765,222	769,620
Transfers out	(35,479)	-	(50,695)	-	(86,174)	(462,579)
Net cash from noncapital financing activities	<u>729,797</u>	<u>-</u>	<u>(50,695)</u>	<u>-</u>	<u>679,102</u>	<u>307,041</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(307,246)	(56,667)	-	(39,902)	(403,815)	(914,519)
Proceeds of refunding bonds	1,420,000	-	-	-	1,420,000	-
Issuance costs paid on debt issued	(10,512)	-	-	-	(10,512)	-
Premium on debt issued	30,999	-	-	-	30,999	-
Principal paid on capital debt	(1,853,893)	(225,000)	-	-	(2,078,893)	(9,929)
Interest paid on capital debt	(50,779)	(105,737)	-	-	(156,516)	(1,799)
Net cash from capital and related financing activities	<u>(771,431)</u>	<u>(387,404)</u>	<u>-</u>	<u>(39,902)</u>	<u>(1,198,737)</u>	<u>(926,247)</u>
Net increase (decrease) in cash and cash equivalents	(3,118)	343,617	-	268	340,767	-
CASH AND CASH EQUIVALENTS						
Beginning of year	<u>99,537</u>	<u>746,262</u>	<u>-</u>	<u>216,424</u>	<u>1,062,223</u>	<u>700</u>
End of year	<u>\$ 96,419</u>	<u>\$ 1,089,879</u>	<u>\$ -</u>	<u>\$ 216,692</u>	<u>\$ 1,402,990</u>	<u>\$ 700</u>

The accompanying notes are an integral part of this statement.

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Ridgewood Healthcare Center	Reefpoint Marina	Behavioral Health Services	Golf Courses (Nonmajor)	Totals	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ (723,241)	\$ 237,714	\$ (32,605)	\$ 59,022	\$ (459,110)	\$ 292,696
Adjustments to reconcile to net cash from operating activities:						
Depreciation	576,416	184,537	-	215,637	976,590	734,388
Bad debt expense	(134,320)	-	-	-	(134,320)	-
Changes in assets and liabilities:						
Receivables	882,592	(32,628)	1,097,711	13,988	1,961,663	697,364
Due from other funds	-	330,443	(464,826)	(237,625)	(372,008)	(147,130)
Inventories	5,439	7,836	-	-	13,275	(161,091)
Prepaid items	(28,716)	26,410	13,304	-	10,998	(639)
Accounts payable	(304,668)	(46,023)	21,784	-	(328,907)	(38,942)
Due to other funds	(329,854)	22,794	(583,740)	-	(890,800)	(677,210)
Grant and user fee advances	101,123	(62)	-	-	101,061	-
Pension related assets and deferrals	(3,115)	-	(933)	-	(4,048)	3,296
Other liabilities	(3,140)	-	-	(10,852)	(13,992)	(83,526)
Net cash from operating activities	<u>\$ 38,516</u>	<u>\$ 731,021</u>	<u>\$ 50,695</u>	<u>\$ 40,170</u>	<u>\$ 860,402</u>	<u>\$ 619,206</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS						
Unrestricted cash and cash equivalents	\$ 1,500	\$ 1,089,879	\$ -	\$ 216,692	\$ 1,308,071	\$ 700
Restricted cash and cash equivalents	<u>94,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,919</u>	<u>-</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 96,419</u>	<u>\$ 1,089,879</u>	<u>\$ -</u>	<u>\$ 216,692</u>	<u>\$ 1,402,990</u>	<u>\$ 700</u>
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Amortization of loss on refunding	<u>\$ (35,541)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,541)</u>	<u>\$ -</u>
Amortization of debt premium	<u>\$ 4,528</u>	<u>\$ 654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,182</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS
As of December 31, 2015

	Total Agency Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 3,961,737
Receivables:	
Delinquent property taxes	709,137
Other	<u>703,443</u>
 Total assets	 \$ <u>5,374,317</u>
 LIABILITIES	
Accounts payable	\$ 109,151
Agency deposits	<u>5,265,166</u>
 Total liabilities	 \$ <u>5,374,317</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN

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As of and for the Year Ended December 31, 2015

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COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of County of Racine (County), Wisconsin have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described in these notes to the financial statements.

A. Reporting Entity

The County is a municipal corporation under the laws of the State of Wisconsin and is governed by an elected County Executive and twenty-three elected Supervisors. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The County has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statements No. 14, as amended by GASB Statement No. 61, and No. 39.

Related Organization

The Housing Authority of Racine County ("Housing Authority") is responsible for providing affordable housing to low to moderate income families in Racine County. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by and responsible to the County Executive. The County cannot impose its will on the Housing Authority, and the Housing Authority cannot create a potential financial benefit to or burden on the County. Separately issued financial statements of the Housing Authority may be obtained from the Housing Authority's office, 837 Main Street, Racine, WI 53403.

B. Government-wide and Fund Financial Statements

In June 2012, the GASB issued statement No. 68 – *Accounting and Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (continued)

Government-wide Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (continued)

Fund Financial Statements (continued)

The County reports the following major governmental funds:

General Fund – accounts for the County’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Human Services Special Revenue Fund - accounts for the financial activities of the Human Services Department for Racine County taxpayers. Operations of the fund are primarily funded from federal and state grants.

The County reports the following major enterprise funds:

Ridgewood Healthcare Center Fund - accounts for the activities of the County’s nursing home operations.

Reefpoint Marina – accounts for the activities of the County-owned marina.

Behavioral Health Services – accounts for the activities of the behavioral health clinic.

The County reports the following nonmajor funds:

Special Revenue Funds - account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects). The County reports the following special revenue funds:

- Road Maintenance
- County Handicapped Education
- County Bridge Aids

Debt Service Fund - accounts for the resources accumulated and payments made for principal and interest on general obligation long-term debt.

Capital Projects Fund - accounts for and reports financial resources to be used for the acquisition or construction of equipment and/or major capital assets that are not financed by proprietary funds.

Permanent Fund - report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County’s programs, that is, for the benefit of the County or its citizenry.

Enterprise Fund – may be used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

- Golf Courses

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (continued)

Fund Financial Statements (continued)

Additionally, the County reports the following fund types:

Internal Service Funds account for fringe benefit, highway operations and fleet management services provided to other departments of the County, or to other governments, on a cost-reimbursement basis.

Agency Funds are used to account for taxes and deposits collected by the County, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's business-type activities and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of revenues related to property taxes which are considered to be available if they are collected within 60 days of the end of the current fiscal period and Human Services Department grants which are considered to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, including other postemployment benefits, and claims and judgments, are recorded only when payment is due.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Fund Financial Statements (continued)

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, public charges for service, and interest. Other general revenues such as fines and forfeitures and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from non-operating items.

Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise and internal service funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity

1. Cash and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash deposits are carried at cost. Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

State statutes restrict investment of County funds. Available investments are limited to:

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

County ordinances further limit investments to obligations which mature in not more than 182 days, in any bank, trust company or savings and loan association which is authorized to conduct business in Wisconsin and, with prior County Finance Committee approval, any investment permissible under Wisconsin Statutes.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Statutes Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015 the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III.A for further information.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

2. Receivables

A majority of accounts receivables are recorded at gross with uncollectible amounts recognized under the direct write-off method, since it is believed that the amount of such allowances would not be material. For accounts receivables that expect to have material uncollectible amounts, these balances have been shown net of these allowances.

Property taxes are levied in November (for the County the levy date is the second Tuesday of November) and are due in the year subsequent to the levy. In all taxation districts, except the City of Racine, Wisconsin, real property taxes must either be paid in full by January 31 to the taxation district treasurer, or paid in two or more installments with the first installment paid by January 31 and the balance due by July 31. Amounts paid after January 31 are paid to the County Treasurer. On or about February 20, all tax rolls are turned over to the County Treasurer who then continues to collect all delinquent and postponed taxes. The City of Racine, Wisconsin collects property taxes through July 31 at which time the County Treasurer makes all subsequent collections. Personal property taxes, special assessments, special charges and special taxes must be paid in full by January 31.

On or before January 15 and February 20, the taxation district treasurer settles with other taxing districts for all collections through the preceding month. On or before August 20, the County Treasurer must settle in full with the underlying taxing jurisdictions for all real estate and special taxes (except special assessments). The County may then recover any tax delinquencies by enforcing the lien on the property (which commences on September 1) and retain any penalties or interest on the delinquencies for which it has settled.

Collection of delinquent personal property taxes is the duty of the taxation district treasurer. However, if they remain uncollected after one year, each taxing district may be billed their proportionate amount.

All property tax receivables are shown net of an allowance for uncollectible items. Wisconsin cities, villages, and towns (taxation districts) are charged with the responsibility of assessing taxable property, collecting taxes, and making distribution to the state, county, school districts, and other taxing jurisdictions. Property of manufacturing establishments and utilities is assessed by the State Department of Revenue. All assessments are made as of January 1.

3. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the balance sheet. Noncurrent portions of the interfund receivables described as "advances to/from" governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation. There are no advances at December 31, 2015.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances."

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

4. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

5. Restricted assets

Certain investments of the Ridgewood Healthcare Center Enterprise Fund are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited for the benefit of residents. Restricted assets of the permanent fund include the Bushnell endowment and related income which is restricted for use in Bushnell Park. Restricted assets of the General Fund are for the purchase of park lands on the open-space plan.

6. Capital assets

Government-wide financial statements

Capital assets, which include property, buildings, equipment, and infrastructure assets (e.g., roads, bridges, dams and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets other than infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, the Ridgewood Healthcare Center will follow Medicare guidelines and include capital assets with a value greater than \$1,000. The Public Works department will follow the governmental funds threshold but will also include all state-classified equipment regardless of the value. Additionally, the County reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add value or materially extend asset lives are not capitalized. Donated capital assets are valued at the estimated fair value of the item at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects as constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No net interest was capitalized during the current year.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

6. Capital assets (continued)

Government-wide financial statements (continued)

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building and other improvements	20
Infrastructure	30-50
Machinery and equipment	5-10
Vehicles	3-10

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the governmental-wide financial statements as described above.

7. Compensated absences

It is the County's policy to permit employees to accumulate earned but unused vacation, casual time and sick pay benefits in accordance with County policy and bargaining unit agreements. There is a liability for unpaid accumulated sick leave and casual time since the County has a policy to pay partial amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. Payments for accumulated vacation will be made at rates in effect when the benefits are used or paid out upon separation. For governmental activities, the compensated absences are generally liquidated by the General Fund.

8. Self-funded insurance

The County is self-insured for its health, worker's compensation, public liability and automobile claims. The claim costs are accounted for in the General Fund. A private administrator calculates the contribution per employee for health and workers' compensation insurance, which is used to charge other departments and funds. An excess liability policy is carried for health insurance and workers compensation insurance. Estimated claims incurred but not reported for health claims are recorded as a liability in the statement of net position and in the governmental fund financial statements.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

9. Long-term obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, other postemployment benefits and accrued compensated absences. Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

10. Deferred Outflows and Inflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an expense/expenditure until that future time.

A deferred charge on refunding arises from the advanced refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as revenue until that future time.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

11. Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position – Net positions subject to constraints imposed by 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Non-spendable – Amounts that cannot be spent because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Amounts subject to constraints imposed by either 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County Board (the County’s highest level of decision-making authority) in an ordinance or resolution prior to the end of the fiscal year. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.
- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The County Board is authorized to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned – Residual positive fund balance within the general fund which has not been classified within the above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

It is the County’s policy to use fund balance resources in the following manner, first, restricted, then committed, assigned and finally unassigned.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

11. Equity Classifications (continued)

Minimum Fund Balance

The County has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 16% to 25% of the next fiscal year's budgeted operating expenditures as general fund unrestricted fund balance. The balance at year end was \$34,037,032, or 23%, and is included in unassigned and committed general fund balance.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

County departments are required to submit their annual budget requests for the ensuing year to the County Executive's Office by early August. The County Executive's Office reviews the requests in detail with the departments. After all of the requests have been reviewed, the proposed budget is submitted to the Board of Supervisors by early October. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America by the Board of Supervisors for all governmental funds except capital projects funds, (for which multi-year budgets are adopted) on or before December 1. An annual budget is not adopted for the Permanent Fund. The General Fund budget is adopted at the function level. All other funds' budgets are adopted at the total fund level.

The County amends the adopted budget for funds encumbered for specific purposes from previous periods. These funds are authorized for specific purposes as restricted by County Board resolution or grantor agency regulation. These encumbered funds increased the County's 2015 adopted budget for the following funds:

General Fund	\$17,216,274
Human Services Fund	1,136,430

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures over Appropriations

The following funds had excess expenditures (including transfers out) over appropriations which were financed by available fund balance and excess revenues:

County Road Maintenance	\$3,683,967
County Bridge Aids	1

C. Limitations on the County's Tax Levy Rate

Wisconsin law limits the County's future tax levies. Generally the County is limited to its prior tax levy dollar amount, increased by the greater of the percentage change in the County's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The County is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The County had the following deposits and investments as of December 31, 2015:

Petty cash	\$	7,165
Demand deposits		27,401,156
Corporate Bonds		6,216,699
Asset Backed Securities		3,813,357
Mortgage Bonds		7,339,850
U.S. Government Agency Securities		7,365,110
U.S. Treasury Bonds and Notes		5,088,665
Mutual Funds - bond funds		192,500
Mutual Funds - other than bond funds		160,407
Local Government Investment Pool		2,174,052
Total	\$	<u>59,758,961</u>
Reconciliation to the financial statements		
Per statement of net position		
Unrestricted cash and investments	\$	54,546,501
Restricted cash and investments		1,250,723
Per statement of assets and liabilities		
Agency Funds		<u>3,961,737</u>
Total Cash and Investments	\$	<u>59,758,961</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual entities. This coverage has not been considered in computing custodial credit risk.

The County maintains a collateral agreement with its bank. At December 31, 2015, the bank had pledged government treasuries in the amount of \$27,177,010 to secure the County's deposits.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the County's deposits may not be returned to the County. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy will allow the Treasurer to place funds in excess of five hundred thousand dollars (\$500,000) in any bank so named as a county depository without the effect of collateralization if standards established by the finance committee are maintained. As of December 31, 2015, all of the County's demand deposits were insured or fully collateralized.

As of December 31, 2015, the County's following investments were held by the counterparty in the County's name.

	<u>Fair Value</u>
Corporate Bonds	\$ 6,216,699
Asset Backed Securities	3,813,357
Mortgage Bonds	7,339,850
U.S. Government Agency Securities	7,365,110
U.S. Treasury Bonds and Notes	5,088,665
Mutual Funds - bond funds	<u>192,500</u>
Total	<u>\$ 30,016,181</u>

The Local Government Investment Pool and mutual funds - other than bond funds are not subject to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits the County's investment in U.S. Treasury Notes, Bills and Bonds and time deposits to a maximum maturity of 182 days unless otherwise approved by Racine County Finance Committee. All Racine County investments are permissible under Wisconsin Statutes.

The following is a summary of investments by maturity:

	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 2 years</u>	<u>2 - 3 years</u>	<u>3 - 5 years</u>
		<u>year</u>			
Corporate Bonds	\$ 6,216,699	\$ 1,810,915	\$ 2,151,965	\$ 972,295	\$ 1,281,524
Asset Backed Securities	3,813,357	-	-	-	3,813,357
Mortgage Bonds	7,339,850	25	-	-	7,339,825
U.S. Government Agency Securities	7,365,110	987,294	1,343,564	5,034,252	-
U.S. Treasury Bonds and Notes	5,088,665	733,763	1,533,508	847,301	1,974,094
Mutual Funds - bond funds	192,500	192,500	-	-	-
Local Government Investment Pool	2,174,052	2,174,052	-	-	-
	<u>\$ 32,190,233</u>	<u>\$ 5,898,549</u>	<u>\$ 5,029,036</u>	<u>\$ 6,853,848</u>	<u>\$ 14,408,800</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The County's investment policy does not specifically address credit risk.

It is the County's practice to limit its investments in these investment types to the top rating issued by NRSROs. As of December 31, 2015, the County's investments were rated by Moody's Investors Service as follows:

	Fair Value	Average Moody's Rating
Corporate Bonds	\$ 851,674	Aa1
Corporate Bonds	1,728,617	Aa2
Corporate Bonds	2,002,665	Aa3
Corporate Bonds	459,293	A1
Corporate Bonds	455,570	A3
Corporate Bonds	418,866	Baa1
Corporate Bonds	197,399	Aaa
Corporate Bonds (cd)	102,615	Not Rated
Asset Backed Securities	3,813,357	Aaa
Mortgage Bonds	7,339,825	Aaa
Mortgage Bonds	25	Not Rated
U.S. Government Agency Securities	6,854,575	Aaa
U.S. Government Agency Securities	510,535	A2
U.S. Treasury Bonds and Notes	5,088,665	Aaa
Mutual Funds - bond funds	192,500	Not Rated
Local Government Investment Pool	2,174,052	Not Rated

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy does not address concentration of credit risk. The County held investments in the following investments that represented 5% or more of total investments:

Issuer	Percentage of Portfolio
Federal Home Loan Mortgage Corp.	19.4%
Federal Home Loan Bank	5.4%
Federal National Mortgage Association	13.3%

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables

Delinquent property taxes have been shown net of an allowance for uncollectible accounts. All other receivables on the balance sheet are expected to be collected within one year.

Delinquent Taxes

Delinquent property taxes purchased from other taxing districts are reflected as nonspendable fund balance at year-end. Delinquent property taxes collected within sixty days subsequent to year-end are considered to be available for current expenditures and are therefore excluded from nonspendable fund balances. Delinquent property taxes levied by the County are reflected as unavailable revenue and are excluded from the fund balance until collected. Delinquent tax certificates include special assessments that are purchased by the County during settlement with the taxing districts. At December 31, 2015, delinquent property taxes for governmental funds by year levied consists of the following:

	Total	County Levied	County Purchased
Tax certificates			
2014	\$ 5,639,485	\$ 667,982	\$ 4,971,503
2013	3,795,339	449,548	3,345,791
2012	2,457,643	252,961	2,204,682
2011	1,498,020	170,367	1,327,653
2010	834,877	96,547	738,330
2009	502,886	59,794	443,092
2008 and prior	443,720	58,140	385,580
Tax deeds	<u>499,633</u>	<u>62,589</u>	<u>437,044</u>
 Total Delinquent Property Taxes Receivable	 15,671,603	 1,817,928	 13,853,675
 Less Allowance	 <u>(663,808)</u>	 <u>(87,216)</u>	 <u>(576,592)</u>
 Net Delinquent Property Taxes Receivable	 <u>\$ 15,007,795</u>	 <u>\$ 1,730,712</u>	 <u>\$ 13,277,083</u>

Patient Accounts

Receivables from patients are shown net of an allowance for uncollectible accounts of \$16,082 at December 31, 2015. Patient services revenues are recorded as services are rendered. Private pay patient rates are determined by management. Medicaid and Medicare rates are determined by the Wisconsin Department of Health Services.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

Loan to the Wisconsin Women's Business Initiative Corporation

In September 2008, the County loaned the Wisconsin Women's Business Initiative Corporation (WWBIC) \$250,000 for lending to business within Racine County for business development purposes. The note is for a 10-year term at 2.0% interest and due October 1, 2018. In May 2015, the County loaned an additional \$125,000 to WWBIC. The note is for a 10-year term at 2.0% interest and due May 1, 2025.

Loan to SEDA North America, Inc.

In 2012, the County loaned SEDA \$2,000,000 to assist in the development of its manufacturing operation in Mt Pleasant, specifically for the purchase of equipment. The loan has a 12-month deferral period after which equal quarterly payments are due. The loan is for a ten year term (after expiration of the deferral period) at 2.44% interest and due on February 1, 2023.

Unavailable and Unearned Revenues

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes receivable for subsequent year	\$ -	\$ 51,064,781	\$ 51,064,781
Delinquent property taxes receivable	1,730,713	-	1,730,713
Delinquent property taxes interest receivable	6,695,949	-	6,695,949
Revenues received for subsequent year	-	168,436	168,436
Current year receivables collected subsequent to recognition period	<u>213,449</u>	<u>-</u>	<u>213,449</u>
 Total unavailable/unearned revenue for governmental funds	 <u>\$ 8,640,111</u>	 <u>\$ 51,233,217</u>	 <u>\$ 59,873,328</u>
 Unearned revenue included in liabilities		\$ 168,436	
Unearned revenue included in deferred inflows		<u>51,064,781</u>	
Total unearned revenue for governmental funds		<u>\$ 51,233,217</u>	

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Restricted Assets

The following represent the balances of the restricted assets:

Reserve Account

This account is used to report resources set aside to make future debt payments. The balance of this account is \$490,554 at December 31, 2015.

Lawcon Account

This account is used to report resources set aside for future recreational land acquisitions. The balance of this account is \$356,545 at December 31, 2015.

Bushnell Account

This account is used to report the principal and interest balances of the Bushnell permanent fund endowment. The balance of the account is \$308,705 at December 31, 2015.

Resident Trust Funds

This account is used for the Ridgewood Healthcare Center funds held in trust for its residents. The balance of this account is \$94,919 at December 31, 2015.

Net Pension Asset

Restricted assets have been reporting in connection with the net pension asset balance since this balance must be used to fund employee benefits. The County's net pension asset at December 31, 2015 is \$8,001,572.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 21,812,455	\$ -	\$ -	\$ 21,812,455
Construction in progress	4,529,486	884,730	(4,167,238)	1,246,978
Total capital assets, not being depreciated	<u>26,341,941</u>	<u>884,730</u>	<u>(4,167,238)</u>	<u>23,059,433</u>
Capital assets, being depreciated:				
Buildings	69,008,298	1,430,032	-	70,438,330
Improvements other than buildings	18,493,317	1,875,160	-	20,368,477
Machinery and equipment	30,896,538	2,138,483	(553,543)	32,481,478
Infrastructure	<u>46,229,385</u>	<u>5,959,121</u>	<u>-</u>	<u>52,188,506</u>
Total capital assets, being depreciated:	<u>164,627,538</u>	<u>11,402,796</u>	<u>(553,543)</u>	<u>175,476,791</u>
Less accumulated depreciation for:				
Buildings	(30,416,736)	(1,560,840)	-	(31,977,576)
Improvements other than buildings	(6,930,336)	(819,446)	-	(7,749,782)
Machinery and equipment	(21,914,226)	(1,769,324)	497,546	(23,186,004)
Infrastructure	<u>(16,312,158)</u>	<u>(1,718,474)</u>	<u>-</u>	<u>(18,030,632)</u>
Total accumulated depreciation	<u>(75,573,456)</u>	<u>(5,868,084)</u>	<u>497,546</u>	<u>(80,943,994)</u>
Total capital assets being depreciated, net	<u>89,054,082</u>	<u>5,534,712</u>	<u>(55,997)</u>	<u>94,532,797</u>
Total capital assets, net	<u>\$ 115,396,023</u>	<u>\$ 6,419,442</u>	<u>\$ (4,223,235)</u>	<u>\$ 117,592,230</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (continued)

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,131,762	\$ -	\$ -	\$ 1,131,762
Construction in progress	76,811	-	(30,916)	45,895
Total capital assets, not being depreciated	<u>1,208,573</u>	<u>-</u>	<u>(30,916)</u>	<u>1,177,657</u>
 Capital assets, being depreciated:				
Buildings	18,047,151	146,755	(81,260)	18,112,646
Improvements other than buildings	5,330,485	70,818	-	5,401,303
Machinery and equipment	<u>2,469,749</u>	<u>217,159</u>	<u>(27,261)</u>	<u>2,659,647</u>
Total capital assets, being depreciated:	<u>25,847,385</u>	<u>434,732</u>	<u>(108,521)</u>	<u>26,173,596</u>
 Less accumulated depreciation for:				
Buildings	(9,353,726)	(642,427)	78,006	(9,918,147)
Improvements other than buildings	(2,982,165)	(213,500)	-	(3,195,665)
Machinery and equipment	<u>(1,972,219)</u>	<u>(120,663)</u>	<u>27,261</u>	<u>(2,065,621)</u>
Total accumulated depreciation	<u>(14,308,110)</u>	<u>(976,590)</u>	<u>105,267</u>	<u>(15,179,433)</u>
 Total capital assets being depreciated, net	<u>11,539,275</u>	<u>(541,858)</u>	<u>(3,254)</u>	<u>10,994,163</u>
 Total capital assets, net	<u>\$ 12,747,848</u>	<u>\$ (541,858)</u>	<u>\$ (34,170)</u>	<u>\$ 12,171,820</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$ 560,654
Public safety	1,618,561
Health and social services	465,210
Education and recreation	756,969
Development	9,641
Highways and streets	<u>2,457,049</u>

Total depreciation expenses - governmental activities \$ 5,868,084

Business-type activities:

Ridgewood Healthcare Center	\$ 576,416
Reefpoint Marina	184,537
Golf Courses	<u>215,637</u>

Total depreciation expenses - business-type activities \$ 976,590

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Ridgewood Healthcare Center	\$ 298,703
	Billable Internal Service Fund	951,357
	Marina	22,794
		<u>1,272,854</u>
Human Services Fund	General Fund	<u>3,124,826</u>
Behavioral Health Services	General Fund	<u>464,826</u>
Golf Courses	General Fund	<u>1,138,345</u>
Nonmajor Governmental Funds		
County Road Maintenance	General Fund	4,142,112
County Handicapped Education	General Fund	124,041
County Bridge Aid	General Fund	161,548
Debt Service Fund	General Fund	144,931
Capital Projects Fund	General Fund	3,805,515
Permanent Fund	General Fund	51,715
		<u>8,429,862</u>
Internal Service Funds		
Fringe Benefits Internal Service	General Fund	192,839
Fleet Internal Service	General Fund	3,611,303
		<u>3,804,142</u>
Total due from other funds		18,234,855
Less fund eliminations		(16,310,187)
Less government-wide eliminations		<u>(3,206,342)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ (1,281,674)</u>

The principal purpose of these interfunds is to provide funding for specific fund operations since the County reports all operating cash accounts in the general fund and does not have pooled cash accounts reported in other individual funds. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be collected within one year.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables, Payables, and Transfers (continued)

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Human Services Fund	\$ 56,221
	Fleet Internal Service Fund	140,000
	Capital Projects Fund	825,000
	County Road Maintenance Fund	1,828
	Ridgewood Healthcare Center	35,479
	Behavioral Health Services	5,759
	Fringe Benefit Internal Service Fund	<u>13,829</u>
		<u>1,078,116</u>
Human Services Fund	General Fund	5,709,844
	Capital Projects Fund	400,000
	Behavioral Health Services	<u>9,356</u>
	<u>6,119,200</u>	
Ridgewood Healthcare Center	General Fund	9,500
	Debt Service Fund	464,185
	Capital Projects Fund	229,195
	Behavioral Health Services	20,500
	Fleet Internal Service Fund	<u>41,842</u>
	<u>765,222</u>	
Nonmajor Governmental Funds		
County Road Maintenance	General Fund	1,879,792
County Road Maintenance	Capital Projects Fund	3,882,250
Debt Service Fund	Capital Projects Fund	188,495
Capital Projects Fund	General Fund	854,762
Capital Projects Fund	Human Services Fund	497,083
Capital Projects Fund	County Road Maintenance Fund	423,000
Capital Projects Fund	Behavioral Health Services	15,080
Capital Projects Fund	Fleet Internal Service Fund	<u>165,908</u>
		<u>7,906,370</u>
Internal Service Funds		
Billable Internal Service	General Fund	9,892
Fringe Benefits Internal Service	County Road Maintenance	30,000
Fleet Internal Service	Debt Service Fund	11,728
Fleet Internal Service	Capital Projects Fund	617,000
Fleet Internal Service	Billable Internal Service	<u>101,000</u>
		<u>769,620</u>
Total transfers from other funds		16,638,528
Less fund eliminations		(15,828,132)
Less government-wide eliminations		<u>(1,489,444)</u>
Total Interfund Transfers - Government-Wide Statement of Net Position		<u>\$ (679,048)</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables, Payables, and Transfers (continued)

Transfers are used to (1) move revenue from the fund with collection authorization to the Ridgewood Healthcare facility to supplement its operations, (2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds with budgetary authorizations, and (3) move fund surpluses to other funds.

F. Long-term Debt

Long-term liability activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
General obligation debt:					
Notes payable	\$ 36,406,785	\$ 6,565,000	\$ 4,106,107	\$ 38,865,678	\$ 4,284,845
Bonds payable	16,400,000	-	1,430,000	14,970,000	1,930,000
Total general obligation debt	52,806,785	6,565,000	5,536,107	53,835,678	6,214,845
Bond premium (discount)	1,826,847	129,061	185,384	1,770,524	191,477
Net general obligation debt	54,633,632	6,694,061	5,721,491	55,606,202	6,406,322
Compensated absences	3,499,353	3,136,628	3,193,835	3,442,146	3,194,000
Net OPEB liability	81,792,948	9,723,006	9,473,777	82,042,177	-
Claims and judgments	2,772,109	962,443	956,617	2,777,935	289,399
Governmental activity Long-term liabilities	\$ 142,698,043	\$ 20,516,138	\$ 19,345,720	\$ 143,868,460	\$ 9,889,721
Business type activities:					
General obligation debt:					
Bonds payable	\$ 6,365,000	\$ -	\$ 2,025,000	\$ 4,340,000	\$ 230,000
Notes payable	468,215	1,420,000	53,894	1,834,321	390,155
Total general obligation debt	6,833,215	1,420,000	2,078,894	6,174,321	620,155
Bond premium (discount)	10,742	30,999	5,182	36,559	9,013
Net general obligation debt	6,843,957	1,450,999	2,084,076	6,210,880	629,168
Compensated absences	320,233	427,527	435,830	311,930	311,930
Business -type activity Long-term liabilities	\$ 7,164,190	\$ 1,878,526	\$ 2,519,906	\$ 6,522,810	\$ 941,098

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-term Debt (continued)

Annual debt service requirements to maturity for general obligation debt are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 6,214,845	\$ 2,072,781	\$ 620,155	\$ 141,340
2017	6,378,599	1,923,814	641,401	122,918
2018	6,507,665	1,787,098	647,335	110,095
2019	6,656,730	1,642,197	658,270	96,939
2020	6,947,712	1,692,580	312,288	86,999
2021-2025	19,715,128	3,614,925	1,454,871	335,230
2026-2030	1,415,000	28,300	1,510,000	157,788
2031	-	-	330,000	4,950
Total	\$ 53,835,678	\$ 12,761,696	\$ 6,174,321	\$ 1,056,258

The detail of the general obligation debt is as follows:

	<u>Date of issue</u>	<u>Final maturity</u>	<u>Interest rates</u>	<u>Original Amount</u>	<u>Balance 12/31/15</u>
General Obligation Notes					
Series 2011	4/12/2011	6/1/2020	1.5%-2.75%	\$ 6,560,000	\$ 4,090,000
Series 2012	4/17/2012	6/1/2021	1.0%-2.1%	5,000,000	4,375,000
Series 2013	3/19/2013	3/1/2023	2.0%-3.0%	6,000,000	5,380,000
Series 2014	4/15/2014	3/1/2024	2.0%-3.0%	5,110,000	5,010,000
Series 2015	6/15/2015	3/1/2025	2.0%-2.25%	6,955,000	6,955,000
Taxable General Obligation Notes					
Series 2009	9/15/2009	6/1/2019	1.70% - 4.65%	4,335,000	2,405,000
Series 2010A	8/3/2010	6/1/2017	2.55%-3.40%	2,780,000	905,000
Series 2010B	8/3/2010	6/1/2020	3.50%-4.25%	2,140,000	2,140,000
Series 2012	4/17/2012	3/1/2022	0.45%-3.00%	10,200,000	6,650,000
Series 2013	3/19/2013	3/1/2023	0.50%-2.59%	1,020,000	830,000
Series 2014	4/15/2014	3/1/2024	0.70%-3.52%	1,025,000	930,000
Series 2015	6/15/2015	3/1/2025	0.60%-0.85%	1,030,000	1,030,000
Series 2006 General Obligation Bonds	3/15/2006	3/1/2016	4.0%	18,970,000	920,000
Series 2013 General Obligation Refunding Bonds	3/19/2013	3/1/2026	2.0%-4.0%	14,880,000	14,050,000
Series 2012 General Obligation Marina Bonds	4/17/2012	6/1/2031	2.0%-3.0%	5,000,000	4,339,999
Total General Obligation debt					60,009,999
Less amount applicable to business-type activities					(6,174,321)
Governmental activities General Obligation debt					<u>\$ 53,835,678</u>

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability and other post employment benefits obligation will be liquidated primarily by the general fund.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-term Debt (continued)

General obligation debt is a direct obligation and pledge of full faith and credit of the County. Notes and bonds in the governmental funds will be retired by future property tax levies. Business-type activities debt is payable by revenues from the user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Wisconsin statutes limit direct general obligation borrowing in the amount equivalent to 5% of the equalized valuation of taxable property. At December 31, 2015, the County's debt margin and legal debt limit is calculated as follows:

Equalized Value of Real and Personal Property	\$ 13,896,028,800
	<u>5%</u>
Debt Limit, 5% of Equalized Valuation	694,801,440
Amount of Debt Applicable to Debt Limitation:	
General Obligation Debt	\$ 60,009,999
Less Debt Service Funds	<u>(635,485)</u>
Total Amount of Debt Applicable to Debt Margin	<u>59,374,514</u>
Legal Debt Margin (Debt Capacity)	<u>\$ 635,426,926</u>

Prior Year Defeasance of Debt

In 2013, certain general obligation bonds were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the defeased bonds are not included in the County's financial statements. At December 31, 2015, \$14.050 million of bonds outstanding are considered defeased. The bonds are callable on March 1, 2016.

Current Refunding

On June 12, 2015, the County issued \$1,420,000 in general obligation notes with an average coupon rate of 2.0% to refund \$1,465,000 of outstanding bonds with an average coupon rate of 4.05%. The net proceeds along with existing funds of the County were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$1,554,121 from 2016 through 2019. The cash flow requirements on the 2015 refunding notes are \$1,483,596 from 2016 through 2019. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$92,938

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Net Position/Fund Balances

Net Position

The calculation of net position as of December 31, 2015 is as follows:

Governmental Activities

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 117,592,230
Less: outstanding long term debt (net of debt premiums, discounts, and loss on refunding)	(54,400,280)
Plus: noncapital related long term debt	8,949,342
Plus: unspent bond proceeds	<u>1,319,983</u>
Total net investment in capital assets	<u>73,461,275</u>
Restricted	
For recreational land acquisition	308,705
For endowments	
Expendable	144,014
Nonexpendable	264,246
Pensions	6,613,304
Debt service	<u>216,084</u>
Total restricted net position	<u>7,546,353</u>
Unrestricted (deficit)	<u>(16,162,176)</u>
Total net position	<u>\$ 64,845,452</u>

Business-type Activities

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 12,171,820
Less: outstanding long term debt (net of debt premiums, discounts, and loss on refunding)	(6,134,170)
Plus: unspent bond proceeds	<u>27,000</u>
Total net investment in capital assets	<u>6,064,650</u>
Restricted for pensions	<u>1,388,268</u>
Unrestricted	<u>4,017,906</u>
Total net position	<u>\$ 11,470,824</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Net Position/Fund Balances (continued)

Fund Balances

The details of the fund balances as of December 31, 2015 are as follows:

Nonspendable

Major Funds	
General Fund	
Delinquent property taxes	\$ 13,277,083
Prepayments and inventories	1,476,281
Noncurrent receivables	<u>2,168,094</u>
Sub-total	<u>16,921,458</u>
Special Revenue Fund - Human Services Fund	
Prepayments and inventories	<u>9,555</u>
Nonmajor Fund	
Special Revenue Fund - Permanent fund endowments	<u>264,246</u>
Total nonspendable fund balance	<u>17,195,259</u>

Restricted

Major Fund - General Fund - Recreational land acquisition	308,705
Nonmajor Funds	
Debt Service Fund - Debt service	635,485
Special Revenue Fund - Permanent fund endowments	<u>144,014</u>
Total restricted fund balance	<u>1,088,204</u>

Committed

Major Fund	
General Fund	
Insurance	13,368,747
Departmental nonlapsing	4,387,980
Sheriff	362,452
Marina maintenance	54,944
County clerk	5,000
Information technology	23,016
Building maintenance	<u>7,594</u>
Sub-total	<u>18,209,733</u>
Nonmajor Funds	
Special Revenue Fund - County Road Maintenance	2,365,404
Special Revenue Fund - County Handicapped Education	124,041
Special Revenue Fund - County Bridge Aids	161,548
Capital Projects Fund - Capital Projects	<u>2,475,323</u>
Sub-total	<u>5,126,316</u>
Total committed fund balance	<u>23,336,049</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Net Position/Fund Balances (continued)

Assigned

Major Fund	
Human Services Fund - Social services and rehabilitation activities	<u>\$ 5,504,144</u>
Nonmajor Funds	
Special Revenue Fund - County Road Maintenance	1,204,752
Capital Projects Fund - Capital Projects	<u>31,809</u>
Sub-total	<u>1,236,561</u>
Total assigned fund balance	<u>6,740,705</u>
Unassigned (deficit)	
Major Fund - General Fund	<u>15,827,299</u>
Total fund balance	<u>\$ 64,187,516</u>

H. Restatement of Net Position

Net position has been restated as a result of the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These standards require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Ridgewood Healthcare Center</u>	<u>Behavioral Health Services</u>	<u>Internal Service Funds</u>
Net Position – December 31, 2014 (as reported)	\$ 45,291,699	\$ 8,629,542	\$ 3,292,995	\$ 438,293	\$ 12,093,971
Add: Net pension asset	10,842,106	2,275,980	1,970,333	305,647	931,080
Add: Deferred outflows related to pensions	<u>2,643,953</u>	<u>555,020</u>	<u>480,485</u>	<u>74,535</u>	<u>227,053</u>
Net Position – December 31, 2014 (as restated)	<u>\$ 58,777,758</u>	<u>\$ 11,460,542</u>	<u>\$ 5,743,813</u>	<u>\$ 818,475</u>	<u>\$ 13,252,104</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION

A. Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

The County has active construction projects as of December 31, 2015. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenses.

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, management and the County's corporate counsel has determined an amount for estimated liabilities resulting from existing claims and judgments which has been recorded in the government-wide statement of net position.

B. Intergovernmental Grants

The county has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

C. Risk Management

The County is exposed to various risks of loss including torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation; health care and injuries to employees; and natural disasters. The cost of providing these risk management services is allocated by charging a "premium" to each fund based on historical estimates of the amounts needed to pay prior and current year claims and administration costs. The charge considers recent trends in actual claims experience of the County as a whole and makes provision for losses relating to catastrophes. "Premiums" are allocated by fund based on estimated current-year payroll, property values and other appropriate factors.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

C. Risk Management (continued)

Workers' Compensation and Public Liability Self Insurance

Racine County is self-funded for workers' compensation. As part of this comprehensive plan, resources are being accumulated in the General Fund to meet potential losses. In addition, various control techniques, including employee accident prevention training, have been implemented during the year to minimize accident-related losses. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$300,000 for regular claims and \$750,000 for claims that involve federal benefits (USL & H and Jones Act). The excess policy provides coverage up to \$1 million in additional available payments per occurrence after the \$300,000 retention has been met by the County. The most this policy will pay out is \$1,000,000 per policy term.

The County self funds for public liability and automobile coverage. There is an excess liability policy also in place that provides coverage for claims over \$1,000,000. The excess policy provides for payments up to \$5,000,000 after the \$1,000,000 retention has been met by the County.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The liability for claims and judgments other than health insurance is reported in the government-wide statement of net position as part of noncurrent liabilities. Changes in the claims liabilities for the year are as follows:

	<u>2015</u>	<u>2014</u>
Unpaid claims - beginning	\$ 2,772,109	\$ 3,852,872
Incurred claims	962,443	646,801
Claims paid	<u>(956,617)</u>	<u>(1,727,564)</u>
Unpaid claims - ending	<u>\$ 2,777,935</u>	<u>\$ 2,772,109</u>

Medical Self Insurance

The County is self-funded for medical expenses of employees and eligible retirees. Third-party coverage is currently maintained for all other individual claims in excess of \$250,000 up to a maximum of \$1,750,000. The claims incurred but not reported liability is recorded in the General Fund. The liability for medical insurance is reported in the financial statements as part of accrued liabilities. Changes in the claims liabilities for the year are as follows:

	<u>2015</u>	<u>2014</u>
Unpaid claims - beginning	\$ 1,883,795	\$ 1,818,678
Incurred claims	10,587,608	12,623,748
Claims paid	<u>(10,844,698)</u>	<u>(12,558,631)</u>
Unpaid claims - ending	<u>\$ 1,626,705</u>	<u>\$ 1,883,795</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans

Summary of Significant Accounting Policies

Pension. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,172,573 in contributions from the County.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the County reported an asset of \$8,001,572 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the County's proportion was .32576060%, which was a decrease of .00697477% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$3,163,230.

At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 1,159,979
Net differences between projected and actual earnings on pension plan investments	3,874,748
Changes in proportion and differences between employer contributions and proportionate share of contributions	215,501
Employer contributions subsequent to the measurement date	<u>3,101,002</u>
Totals	<u>\$ 8,351,230</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

\$3,101,002 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources
2016	\$ 1,282,280
2017	1,282,280
2018	1,282,280
2019	1,282,280
2020	121,108

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	<u>Target Allocation</u>
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
County's proportionate share of the net pension liability (asset)	\$22,573,813	\$(8,001,572)	\$(32,148,776)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the County reported a payable to the pension plan which represents contractually required contributions outstanding as of year-end.

E. Other Post Employment Benefits

Plan Description

The County administers a single-employer defined benefit retiree healthcare plan. The plan provides medical insurance benefits to eligible retirees and their families through the County's self-insured group medical insurance plan, which covers both active and retired members. Eligible retirees also receive a post-employment life insurance benefit of \$1,000 to \$5,000 based on their employee group at the retirement date. Benefit provisions and eligibility requirements are established through collective bargaining agreements and the County's personnel policy and vary based on the retiree's position, years of service and age at retirement. The plan does not issue a separate financial report.

Membership of the plan consisted of approximately 678 retirees and 646 active plan members at December 31, 2015.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

Funding Policy

Contribution requirements are established through collective bargaining agreements and the County's personnel policies, and may be amended only through negotiations between the County and the union, or for non-union employees pursuant to employment policies adopted by the County Board. Eligibility is based on the following criteria: (1) any current retiree who is eligible and has applied for Wisconsin Retirement System annuity; (2) retirees after ratification of the 2005-06 contract need 10 years of service; (3) Retirees after January 1, 2013 need 15 years of service; (4) Racine County School Office employees who were put on layoff status on June 30, 2006, will be eligible for benefits based on service on June 30, 2006.

Retirees pay a percentage of the total health care premium based on years of service at retirement. The percentage ranges from five percent to fifty percent based on the number of years of service at the retirement date.

The County funds these post-employment benefits on a pay-as-you-go basis, accordingly no liability is recognized within the fund financial statements. However a liability is recorded for the unfunded liability on the government-wide financial statements on a go forward basis beginning on January 1, 2007 as allowed under GASB Statement No. 45.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

Annual required contribution	\$ 9,701,816
Interest on annual required contribution	3,271,718
Adjustment to ARC	<u>(3,250,528)</u>
Annual OPEB cost	9,723,006
Contributions made	<u>(9,473,777)</u>
Increase in net OPEB obligation	249,229
Net OPEB obligation - beginning of year	<u>81,792,948</u>
Net OPEB obligation - end of year	<u>\$ 82,042,177</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for December 31, 2015 and the two preceding years were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	\$ 12,392,012	82.64%	\$ 80,273,329
12/31/2014	12,392,012	87.74%	81,792,948
12/31/2015	9,723,006	97.44%	82,042,177

Funded Status and Funding Progress

As of December 31, 2015, the plan was 0% funded. The actuarial accrued liability for benefits was \$193,366,046 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$193,366,046. The covered payroll (annual payroll of active employees covered by the plan) was \$42,202,532 and the ratio of the UAAL to the covered payroll was 458.19%.

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

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

Actuarial Methods and Assumptions

In the December 31, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% rate of return and an annual healthcare cost trend rate of 9% initially, reduced by decrements to a rate of 5% after eight years. Both rates include a 3% inflation assumption. A 3% payroll growth assumption is also used. The RP-2015 Combined Mortality Table was used to determine mortality. Turnover, disability, and retirement rates were determined using the WRS Active Actuarial Valuation as of December 31, 2012. Benefit selections, employee participation, and spousal coverage assumptions were developed based on County experience. Retiree contributions are assumed to increase according to health care trend rates which were based on past and present experience, and actuary judgment.

The actuarial value of the plan assets was not determined because there were no plan assets as of the date of the actuarial valuation. The plan's unfunded actuarial liability is being amortized using the level dollar payment amortization method on an open basis. The amortization period at December 31, 2015 is 30 years.

The cost of the plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the plan.

F. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2015

IV. OTHER INFORMATION (CONTINUED)

G. Subsequent Events

On June 1, 2016 the County issued general obligation corporate purpose bonds in the amount of \$4,980,000 with interest rates of 2.00% to 2.25%. The notes are being used to finance capital projects pursuant to the County's 2016 adopted budget and to refund certain obligations of the County.

On June 1, 2016 the County issued taxable general obligation promissory notes in the amount of \$1,030,000 with an interest rates of 2.00%. The notes are being used to finance the County's revolving loan fund pursuant to the County's 2016 adopted budget

H. Economic Dependency

Medicaid and Medicare funds represent 83% of the operating revenues of Ridgewood Healthcare Center for 2015.

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REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF RACINE, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - OPEB
For the Year Ended December 31, 2015**

Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
<i>Racine County School Office</i>							
12/31/2013	12/31/2013	\$ -	\$ 21,859,763	\$ 21,859,763	0.00%	\$ -	N/A
12/31/2014	12/31/2013	-	21,859,763	21,859,763	0.00%	-	N/A
12/31/2015	12/31/2015	-	14,828,118	14,828,118	0.00%	-	N/A
<i>Other County Departments</i>							
12/31/2013	12/31/2013	\$ -	\$ 231,780,548	\$ 231,780,548	0.00%	\$ 40,478,489	572.60%
12/31/2014	12/31/2013	-	231,780,548	231,780,548	0.00%	41,575,017	557.50%
12/31/2015	12/31/2015	-	178,537,928	178,537,928	0.00%	42,202,532	423.05%
<i>Total</i>							
12/31/2013	12/31/2013	\$ -	\$ 253,640,311	\$ 253,640,311	0.00%	\$ 40,478,489	626.61%
12/31/2014	12/31/2013	-	253,640,311	253,640,311	0.00%	41,575,017	610.08%
12/31/2015	12/31/2015	-	193,366,046	193,366,046	0.00%	42,202,532	458.19%

See independent auditors' report and accompanying notes to the required supplementary information.

COUNTY OF RACINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2015

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.32576060%	\$ 8,001,572	\$ 40,818,992	19.60%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2015

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 3,063,329	\$ 3,063,329	\$ -	\$ 42,202,532	7.26%

See independent auditors' report and accompanying notes to the required supplementary information.

COUNTY OF RACINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The County is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions. There were no changes in assumptions.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The County Road Maintenance Fund accounts for the revenue sources that are legally restricted to expenditures for the maintenance of highways and local roads.

The County Handicapped Education Fund accounts for the activities of providing educational services for special education students in western Racine County

The County Bridge Aids Fund accounts for the revenue sources that are legally restricted to expenditures for bridge construction.

Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on the County's general obligation long-term debt.

Capital Projects Fund

The Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Permanent Fund

The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the reporting government's programs for the benefit of the government or its citizenry.

COUNTY OF RACINE, WISCONSIN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2015

	<u>Special Revenue</u>					Permanent Fund	Total Nonmajor Governmental Funds
	<u>County Road Maintenance</u>	<u>County Handicapped Education</u>	<u>County Bridge Aids</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
ASSETS							
Receivables:							
Property taxes	\$ -	\$ 817,439	\$ 28,025	\$ 6,744,043	\$ -	\$ -	\$ 7,589,507
Due from other governments	165,000	-	-	-	-	-	165,000
Accounts	-	-	-	-	19,640	-	19,640
Due from other funds	4,142,112	124,041	161,548	144,931	3,805,515	51,715	8,429,862
Restricted cash and investments	-	-	-	490,554	-	356,545	847,099
Total assets	<u>\$ 4,307,112</u>	<u>\$ 941,480</u>	<u>\$ 189,573</u>	<u>\$ 7,379,528</u>	<u>\$ 3,825,155</u>	<u>\$ 408,260</u>	<u>\$ 17,051,108</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 736,956	\$ -	\$ -	\$ -	\$ 1,318,023	\$ -	\$ 2,054,979
Total liabilities	<u>736,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,318,023</u>	<u>-</u>	<u>2,054,979</u>
Deferred Inflows							
Property taxes levied for future periods	<u>-</u>	<u>817,439</u>	<u>28,025</u>	<u>6,744,043</u>	<u>-</u>	<u>-</u>	<u>7,589,507</u>
Fund Balances							
Nonspendable	-	-	-	-	-	264,246	264,246
Restricted for							
Debt service	-	-	-	635,485	-	-	635,485
Endowments	-	-	-	-	-	144,014	144,014
Committed	2,365,404	124,041	161,548	-	2,475,323	-	5,126,316
Assigned	<u>1,204,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,809</u>	<u>-</u>	<u>1,236,561</u>
Total fund balances	<u>3,570,156</u>	<u>124,041</u>	<u>161,548</u>	<u>635,485</u>	<u>2,507,132</u>	<u>408,260</u>	<u>7,406,622</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,307,112</u>	<u>\$ 941,480</u>	<u>\$ 189,573</u>	<u>\$ 7,379,528</u>	<u>\$ 3,825,155</u>	<u>\$ 408,260</u>	<u>\$ 17,051,108</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>Special Revenue</u>					<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>County Road Maintenance</u>	<u>County Handicapped Education</u>	<u>County Bridge Aids</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
REVENUES							
Taxes	\$ -	\$ 926,899	\$ -	\$ 6,023,301	\$ -	\$ -	\$ 6,950,200
Intergovernmental	2,475,190	-	-	-	-	-	2,475,190
Investment income (loss)	-	-	-	649	-	(8,636)	(7,987)
Miscellaneous	46,672	-	-	1,013,126	-	-	1,059,798
Total revenues	<u>2,521,862</u>	<u>926,899</u>	<u>-</u>	<u>7,037,076</u>	<u>-</u>	<u>(8,636)</u>	<u>10,477,201</u>
EXPENDITURES							
Current:							
Education and recreation	-	795,398	-	-	-	22,900	818,298
Highways and streets	7,620,603	-	1	-	-	-	7,620,604
Capital outlay	-	-	-	-	2,906,918	-	2,906,918
Debt service:							
Principal retirement	-	-	-	5,526,177	-	-	5,526,177
Interest and fiscal charges	-	-	-	1,355,008	92,923	-	1,447,931
Total expenditures	<u>7,620,603</u>	<u>795,398</u>	<u>1</u>	<u>6,881,185</u>	<u>2,999,841</u>	<u>22,900</u>	<u>18,319,928</u>
Excess (deficiency) of revenues over expenditures	<u>(5,098,741)</u>	<u>131,501</u>	<u>(1)</u>	<u>155,891</u>	<u>(2,999,841)</u>	<u>(31,536)</u>	<u>(7,842,727)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	5,762,042	-	-	188,495	1,955,833	-	7,906,370
Transfers out	(454,828)	-	-	(475,913)	(6,141,940)	-	(7,072,681)
Issuance of general obligation debt	-	-	-	-	6,565,000	-	6,565,000
Proceeds from the sale of capital assets	-	-	-	-	19,640	-	19,640
Net premium on issuance of debt	-	-	-	-	129,061	-	129,061
Total other financing sources (uses)	<u>5,307,214</u>	<u>-</u>	<u>-</u>	<u>(287,418)</u>	<u>2,527,594</u>	<u>-</u>	<u>7,547,390</u>
Net change in fund balances	208,473	131,501	(1)	(131,527)	(472,247)	(31,536)	(295,337)
FUND BALANCES							
Beginning of year (deficit)	<u>3,361,683</u>	<u>(7,460)</u>	<u>161,549</u>	<u>767,012</u>	<u>2,979,379</u>	<u>439,796</u>	<u>7,701,959</u>
End of year	<u>\$ 3,570,156</u>	<u>\$ 124,041</u>	<u>\$ 161,548</u>	<u>\$ 635,485</u>	<u>\$ 2,507,132</u>	<u>\$ 408,260</u>	<u>\$ 7,406,622</u>

COUNTY OF RACINE, WISCONSIN
COUNTY ROAD MAINTENANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 2,260,000	\$ 2,138,672	\$ 2,475,190	\$ 336,518
Miscellaneous	-	-	46,672	46,672
Total revenues	<u>2,260,000</u>	<u>2,138,672</u>	<u>2,521,862</u>	<u>383,190</u>
EXPENDITURES				
Current:				
Highways and streets	<u>4,059,792</u>	<u>3,936,636</u>	<u>7,620,603</u>	<u>(3,683,967)</u>
Deficiency of revenues over expenditures	<u>(1,799,792)</u>	<u>(1,797,964)</u>	<u>(5,098,741)</u>	<u>(3,300,777)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,762,042	5,762,042	5,762,042	-
Transfers out	<u>(453,000)</u>	<u>(454,828)</u>	<u>(454,828)</u>	-
Total other financing sources (uses)	<u>5,309,042</u>	<u>5,307,214</u>	<u>5,307,214</u>	-
Net change in fund balances	<u>\$ 3,509,250</u>	<u>\$ 3,509,250</u>	208,473	<u>\$ (3,300,777)</u>
FUND BALANCES				
Beginning of year			<u>3,361,683</u>	
End of year			<u>\$ 3,570,156</u>	

COUNTY OF RACINE, WISCONSIN
COUNTY HANDICAPPED EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Taxes	\$ 926,899	\$ 926,899	\$ 926,899	\$ -
EXPENDITURES				
Current:				
Education and recreation	<u>926,899</u>	<u>926,899</u>	<u>795,398</u>	<u>131,501</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	131,501	<u>\$ 131,501</u>
FUND BALANCES				
Beginning of year (Deficit)			<u>(7,460)</u>	
End of year			<u>\$ 124,041</u>	

COUNTY OF RACINE, WISCONSIN
COUNTY BRIDGE AIDS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Highways and streets	-	-	1	(1)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(1)	<u>\$ (1)</u>
FUND BALANCES				
Beginning of year			<u>161,549</u>	
End of year			<u>\$ 161,548</u>	

**COUNTY OF RACINE, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 6,023,301	\$ 6,023,301	\$ 6,023,301	\$ -
Investment income	-	-	649	649
Miscellaneous	<u>835,440</u>	<u>835,440</u>	<u>1,013,126</u>	<u>177,686</u>
Total revenues	<u>6,858,741</u>	<u>6,858,741</u>	<u>7,037,076</u>	<u>178,335</u>
EXPENDITURES				
Debt Service:				
Principal retirement	5,526,177	5,526,177	5,526,177	-
Interest and fiscal charges	<u>1,356,651</u>	<u>1,356,651</u>	<u>1,355,008</u>	<u>1,643</u>
Total Expenditures	<u>6,882,828</u>	<u>6,882,828</u>	<u>6,881,185</u>	<u>1,643</u>
Excess (deficiency) of revenues over expenditures	<u>(24,087)</u>	<u>(24,087)</u>	<u>155,891</u>	<u>179,978</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	188,495	188,495	188,495	-
Transfers out	<u>(475,913)</u>	<u>(475,913)</u>	<u>(475,913)</u>	<u>-</u>
Total other financing sources (uses)	<u>(287,418)</u>	<u>(287,418)</u>	<u>(287,418)</u>	<u>-</u>
Net change in fund balances	<u>\$ (311,505)</u>	<u>\$ (311,505)</u>	<u>(131,527)</u>	<u>\$ 179,978</u>
FUND BALANCES				
Beginning of year			<u>767,012</u>	
End of year			<u>\$ 635,485</u>	

**COUNTY OF RACINE, WISCONSIN
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		(Negative)
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital outlay	3,596,448	2,906,920	2,906,918	2
Debt Service:				
Interest and fiscal charges	-	92,924	92,923	1
Total Expenditures	<u>3,596,448</u>	<u>2,999,844</u>	<u>2,999,841</u>	<u>3</u>
Deficiency of revenues over expenditures	<u>(3,596,448)</u>	<u>(2,999,844)</u>	<u>(2,999,841)</u>	<u>3</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,820,858	1,955,833	1,955,833	-
Transfers out	(5,026,940)	(6,141,940)	(6,141,940)	-
Proceeds from the sale of capital assets	16,200	19,640	19,640	-
Net premium on issuance of debt	-	129,061	129,061	-
Issuance of general obligation debt	<u>6,498,720</u>	<u>6,565,000</u>	<u>6,565,000</u>	<u>-</u>
Total other financing sources (uses)	<u>3,308,838</u>	<u>2,527,594</u>	<u>2,527,594</u>	<u>-</u>
Net change in fund balances	<u>\$ (287,610)</u>	<u>\$ (472,250)</u>	(472,247)	<u>\$ 3</u>
FUND BALANCES				
Beginning of year			<u>2,979,379</u>	
End of year			<u>\$ 2,507,132</u>	

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. The County's internal service funds account for fringe benefits, highway operations and fleet management services. The County has the following internal service funds:

- Billable
- Fringe Benefits
- Fleet

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
As of December 31, 2015

	Billable	Fringe Benefits	Fleet	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 700
Receivables:				
Due from other governments	739,259	-	-	739,259
Accounts	89,764	-	-	89,764
Due from other funds	-	192,839	3,611,303	3,804,142
Inventories	557,362	-	469,520	1,026,882
Prepaid items	<u>1,167</u>	<u>-</u>	<u>-</u>	<u>1,167</u>
Total current assets	<u>1,388,252</u>	<u>192,839</u>	<u>4,080,823</u>	<u>5,661,914</u>
Noncurrent assets				
Restricted assets:				
Net pension asset	55,704	512,222	-	567,926
Capital assets not being depreciated:				
Construction in progress	-	-	225,471	225,471
Capital assets being depreciated:				
Buildings	-	-	6,495,372	6,495,372
Improvements other than buildings	-	-	1,935,226	1,935,226
Machinery and equipment	43,831	-	11,348,049	11,391,880
Less: accumulated depreciation	<u>(37,257)</u>	<u>-</u>	<u>(11,228,931)</u>	<u>(11,266,188)</u>
Total noncurrent assets	<u>62,278</u>	<u>512,222</u>	<u>8,775,187</u>	<u>9,349,687</u>
Total assets	<u>1,450,530</u>	<u>705,061</u>	<u>12,856,010</u>	<u>15,011,601</u>
DEFERRED OUTFLOWS				
Pension-related amounts	<u>56,082</u>	<u>530,829</u>	<u>-</u>	<u>586,911</u>
LIABILITIES AND NET POSITION				
LIABILITIES				
Current liabilities				
Accounts payable	217,634	-	43,275	260,909
Accrued liabilities	66,489	393,379	-	459,868
Due to other funds	951,357	-	-	951,357
Current maturities on bonds payable	<u>-</u>	<u>-</u>	<u>9,241</u>	<u>9,241</u>
Total current liabilities	<u>1,235,480</u>	<u>393,379</u>	<u>52,516</u>	<u>1,681,375</u>
Noncurrent liabilities				
Long term maturities on bonds payable	<u>-</u>	<u>-</u>	<u>67,095</u>	<u>67,095</u>
Total liabilities	<u>1,235,480</u>	<u>393,379</u>	<u>119,611</u>	<u>1,748,470</u>
NET POSITION				
Net investment in capital assets	6,574	-	8,698,851	8,705,425
Restricted for pensions	55,704	512,222	-	567,926
Unrestricted	<u>208,854</u>	<u>330,289</u>	<u>4,037,548</u>	<u>4,576,691</u>
Total net position	<u>\$ 271,132</u>	<u>\$ 842,511</u>	<u>\$ 12,736,399</u>	<u>\$ 13,850,042</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUES					
Highway charges and fees	\$ 8,182,532	\$ 2,061,456	\$ 2,604,646	(1) (1,102,368)	\$ 10,483,191
Other	<u>22,122</u>	<u>-</u>	<u>15,371</u>	(2) (1,263,075)	<u>37,493</u>
Total operating revenues	<u>8,204,654</u>	<u>2,061,456</u>	<u>2,620,017</u>	<u>(2,365,443)</u>	<u>10,520,684</u>
OPERATING EXPENSES					
Current				(1) (1,102,368)	
Highway maintenance	8,106,761	2,110,869	1,641,413	(2) (1,263,075)	9,493,600
Depreciation	<u>-</u>	<u>-</u>	<u>734,388</u>	<u>-</u>	<u>734,388</u>
Total operating expenses	<u>8,106,761</u>	<u>2,110,869</u>	<u>2,375,801</u>	<u>(2,365,443)</u>	<u>10,227,988</u>
Operating income (loss)	<u>97,893</u>	<u>(49,413)</u>	<u>244,216</u>	<u>-</u>	<u>292,696</u>
NONOPERATING EXPENSE					
Interest expense	<u>-</u>	<u>-</u>	<u>(1,799)</u>	<u>-</u>	<u>(1,799)</u>
Income (loss) before transfers	<u>97,893</u>	<u>(49,413)</u>	<u>242,417</u>	<u>-</u>	<u>290,897</u>
TRANSFERS					
Transfers in	9,892	30,000	729,728	-	769,620
Transfers out	<u>(101,000)</u>	<u>(13,829)</u>	<u>(347,750)</u>	<u>-</u>	<u>(462,579)</u>
Total net transfers	<u>(91,108)</u>	<u>16,171</u>	<u>381,978</u>	<u>-</u>	<u>307,041</u>
Change in net position	6,785	(33,242)	624,395	-	597,938
NET POSITION					
Beginning of year (as restated)	<u>264,347</u>	<u>875,753</u>	<u>12,112,004</u>	<u>-</u>	<u>13,252,104</u>
End of year	<u>\$ 271,132</u>	<u>\$ 842,511</u>	<u>\$ 12,736,399</u>	<u>\$ -</u>	<u>\$ 13,850,042</u>

(1)-Eliminate fringe benefit revenues. Fringe benefit pays the associated expense and charges it to billable. Billable then invoices the state, local or other county department.

(2)-Eliminate fleet revenues. All other expenses are charged to Billable.

**COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015**

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Eliminations</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers and users	\$ 5,318,860	\$ 959,088	\$ 1,358,361	\$ -	\$ 7,636,309
Received from interfund services provided	3,581,739	1,126,499	1,091,814	(2,365,443)	3,434,609
Paid for interfund services provided	(4,560,426)	-	-	2,365,443	(2,194,983)
Paid to suppliers	(1,937,074)	-	(1,486,191)	-	(3,423,265)
Paid to employees	(2,311,991)	(2,101,758)	(419,715)	-	(4,833,464)
Net cash from operating activities	<u>91,108</u>	<u>(16,171)</u>	<u>544,269</u>	<u>-</u>	<u>619,206</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	9,892	30,000	729,728	-	769,620
Transfers out	(101,000)	(13,829)	(347,750)	-	(462,579)
Net cash from noncapital financing activities	<u>(91,108)</u>	<u>16,171</u>	<u>381,978</u>	<u>-</u>	<u>307,041</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	-	(914,519)	-	(914,519)
Principal paid on capital debt	-	-	(9,929)	-	(9,929)
Interest paid on capital debt	-	-	(1,799)	-	(1,799)
Net cash from capital and related financing activities	<u>-</u>	<u>-</u>	<u>(926,247)</u>	<u>-</u>	<u>(926,247)</u>
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
CASH AND CASH EQUIVALENTS					
Beginning of year	<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>
End of year	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 97,893	\$ (49,413)	\$ 244,216	\$ -	\$ 292,696
Adjustments to reconcile to net cash from operating activities:					
Depreciation	-	-	734,388	-	734,388
Changes in assets and liabilities:					
Receivables	695,945	-	1,419	-	697,364
Due from other funds	-	24,131	(171,261)	-	(147,130)
Inventories	(84,752)	-	(76,339)	-	(161,091)
Prepaid items	(639)	-	-	-	(639)
Accounts payable	149,212	-	(188,154)	-	(38,942)
Due to other funds	(677,210)	-	-	-	(677,210)
Pension related assets and deferrals	1,807	1,489	-	-	3,296
Other liabilities	(91,148)	7,622	-	-	(83,526)
Net cash from operating activities	<u>\$ 91,108</u>	<u>\$ (16,171)</u>	<u>\$ 544,269</u>	<u>\$ -</u>	<u>\$ 619,206</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
None					

AGENCY FUNDS

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The County's agency funds are used to account for assets that are held by the County in a trustee capacity or as an agent for individuals, private organizations, and all other governmental units. The County has the following agency funds:

- Clerk of Courts – To account for the receipt and disbursement of court-ordered payments to third parties.
- Unclaimed Funds – funds held by the County that are unclaimed per Wisconsin state statutes.
- Other – receipt and disbursement of funds for small items such as the County's United Way employee donation campaign, Sheriff trust funds for Huber and other inmates, and the employee activity committee.
- Property Taxes – receipt and disbursement of property tax payments by the County Treasurer to local municipalities.

**COUNTY OF RACINE, WISCONSIN
 COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS
 As of December 31, 2015**

	Agency Funds				Total Agency Funds
	Court	Unclaimed Funds	Other	Taxes	
ASSETS					
Cash and investments	\$ 3,372,623	\$ -	\$ 589,114	\$ -	\$ 3,961,737
Receivables:					
Delinquent property taxes	-	-	-	709,137	709,137
Accounts	-	590,525	46,476	66,442	703,443
	-	590,525	46,476	66,442	703,443
Total assets	\$ 3,372,623	\$ 590,525	\$ 635,590	\$ 775,579	\$ 5,374,317
LIABILITIES					
Accounts payable	\$ -	\$ 891	\$ 41,818	\$ 66,442	\$ 109,151
Agency deposits	3,372,623	589,634	593,772	709,137	5,265,166
	3,372,623	589,634	593,772	709,137	5,265,166
Total liabilities	\$ 3,372,623	\$ 590,525	\$ 635,590	\$ 775,579	\$ 5,374,317

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
For the Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<u>COURT</u>				
ASSETS				
Cash and investments	\$ 3,374,538	\$ 3,372,623	\$ 3,374,538	\$ 3,372,623
Accounts receivable	-	-	-	-
Total assets	<u>\$ 3,374,538</u>	<u>\$ 3,372,623</u>	<u>\$ 3,374,538</u>	<u>\$ 3,372,623</u>
LIABILITIES				
Agency deposits	<u>\$ 3,374,538</u>	<u>\$ 3,372,623</u>	<u>\$ 3,374,538</u>	<u>\$ 3,372,623</u>
<u>UNCLAIMED FUNDS</u>				
ASSETS				
Accounts receivable	<u>\$ 585,094</u>	<u>\$ 590,525</u>	<u>\$ 585,094</u>	<u>\$ 590,525</u>
LIABILITIES				
Accounts payable	\$ -	\$ 891	\$ -	\$ 891
Agency deposits	<u>585,094</u>	<u>589,634</u>	<u>585,094</u>	<u>589,634</u>
Total liabilities	<u>\$ 585,094</u>	<u>\$ 590,525</u>	<u>\$ 585,094</u>	<u>\$ 590,525</u>
<u>OTHER</u>				
ASSETS				
Cash and investments	\$ 735,245	\$ 589,114	\$ 735,245	\$ 589,114
Accounts receivable	<u>64,769</u>	<u>46,476</u>	<u>64,769</u>	<u>46,476</u>
Total assets	<u>\$ 800,014</u>	<u>\$ 635,590</u>	<u>\$ 800,014</u>	<u>\$ 635,590</u>
LIABILITIES				
Accounts payable	\$ 57,738	\$ 41,818	\$ 57,738	\$ 41,818
Agency deposits	<u>742,276</u>	<u>593,772</u>	<u>742,276</u>	<u>593,772</u>
Total liabilities	<u>\$ 800,014</u>	<u>\$ 635,590</u>	<u>\$ 800,014</u>	<u>\$ 635,590</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
For the Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<u>TAXES</u>				
ASSETS				
Receivables				
Delinquent property taxes	\$ 632,924	\$ 709,137	\$ 632,924	\$ 709,137
Accounts	<u>925</u>	<u>66,442</u>	<u>925</u>	<u>66,442</u>
Total assets	<u>\$ 633,849</u>	<u>\$ 775,579</u>	<u>\$ 633,849</u>	<u>\$ 775,579</u>
LIABILITIES				
Accounts payable	\$ 925	\$ 66,442	\$ 925	\$ 66,442
Agency deposits	<u>632,924</u>	<u>709,137</u>	<u>632,924</u>	<u>709,137</u>
Total liabilities	<u>\$ 633,849</u>	<u>\$ 775,579</u>	<u>\$ 633,849</u>	<u>\$ 775,579</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 4,109,783	\$ 3,961,737	\$ 4,109,783	\$ 3,961,737
Receivables:				
Delinquent property taxes	632,924	709,137	632,924	709,137
Accounts	<u>650,788</u>	<u>703,443</u>	<u>650,788</u>	<u>703,443</u>
Total assets	<u>\$ 5,393,495</u>	<u>\$ 5,374,317</u>	<u>\$ 5,393,495</u>	<u>\$ 5,374,317</u>
LIABILITIES				
Accounts payable	\$ 58,663	\$ 109,151	\$ 58,663	\$ 109,151
Agency deposits	<u>5,334,832</u>	<u>5,265,166</u>	<u>5,334,832</u>	<u>5,265,166</u>
Total liabilities	<u>\$ 5,393,495</u>	<u>\$ 5,374,317</u>	<u>\$ 5,393,495</u>	<u>\$ 5,374,317</u>

**CAPITAL ASSETS USED
IN THE OPERATION OF GOVERNMENTAL FUNDS**

COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
As of December 31, 2015 and 2014

	2015	2014
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 21,812,455	\$ 21,812,455
Buildings	63,942,959	63,414,023
Improvements other than buildings	18,433,250	16,558,091
Machinery and equipment	21,089,598	19,698,033
Infrastructure	52,188,506	46,229,385
Construction in progress	1,021,507	3,858,431
Total governmental funds capital assets	\$ 178,488,275	\$ 171,570,418
 INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
General Fund	\$ 125,635,198	\$ 121,883,526
Special Revenue Fund	52,853,077	49,686,892
Total governmental funds capital assets	\$ 178,488,275	\$ 171,570,418

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2015

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets January 1, 2015	Additions	Deductions	Governmental Funds Capital Assets December 31, 2015
General government	\$ 11,095,405	\$ 464,900	\$ 3,528	\$ 11,556,777
Public Safety	53,176,611	1,228,703	284,162	54,121,152
Health and social service	19,384,831	380,616	204,960	19,560,487
Education and recreation	38,471,459	2,249,017	1,060,533	39,659,943
Highway and Streets Development	49,166,867 <u>275,245</u>	6,178,862 <u>165,934</u>	2,196,992 <u>-</u>	53,148,737 <u>441,179</u>
 Total governmental funds capital assets	 <u>\$ 171,570,418</u>	 <u>\$ 10,668,032</u>	 <u>\$ 3,750,175</u>	 <u>\$ 178,488,275</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2015**

<u>FUNCTION AND ACTIVITY</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Total</u>
General government	\$ 239,770	\$ 5,542,314	\$ 868,127	\$ 4,744,750	\$ -	\$ 161,816	\$ 11,556,777
Public safety	1,532,928	37,521,719	422,971	14,665,085	-	(21,551)	54,121,152
Health and social services	370,104	18,137,087	10,623	1,042,494	-	179	19,560,487
Education and recreation	19,195,911	2,741,839	17,131,529	-	-	590,664	39,659,943
Highways and streets	275,092	-	-	431,311	52,188,506	253,828	53,148,737
Development	198,650	-	-	205,958	-	36,571	441,179
Total governmental funds capital assets	<u>\$ 21,812,455</u>	<u>\$ 63,942,959</u>	<u>\$ 18,433,250</u>	<u>\$ 21,089,598</u>	<u>\$ 52,188,506</u>	<u>\$ 1,021,507</u>	<u>\$ 178,488,275</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

STATISTICAL SECTION

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Statistical Section
(Unaudited)

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

FINANCIAL TRENDS - TABLES 1 - 4

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

REVENUE CAPACITY - TABLES 5 - 8

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

DEBT CAPACITY - TABLES 9 - 11

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

DEMOGRAPHIC AND ECONOMIC INFORMATION - TABLES 12 -13

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

OPERATING INFORMATION - TABLES 14 - 16

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The County implemented GASB 34 in 2002.

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COUNTY OF RACINE, WISCONSIN
TABLE 1 - NET POSITION BY COMPONENT
For the fiscal years ended December 31, 2006 through 2015

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Governmental Activities</u>										
Net investment in capital assets	\$ 65,978,699	\$ 64,472,210	\$ 62,153,295	\$ 64,602,042	\$ 66,620,814	\$ 66,531,523	\$ 70,301,141	\$ 70,793,526	\$ 71,576,675	\$ 73,461,275
Restricted (a)	637,251	847,185	674,038	789,986	479,523	1,192,375	864,347	1,894,330	957,661	7,546,353
Unrestricted (deficit)	<u>30,604,900</u>	<u>18,778,037</u>	<u>13,729,575</u>	<u>1,307,970</u>	<u>(10,959,241)</u>	<u>(19,530,314)</u>	<u>(30,922,432)</u>	<u>(29,577,819)</u>	<u>(27,242,637)</u>	<u>(16,162,176)</u>
Total Governmental Activities Net position	<u>\$ 97,220,850</u>	<u>\$ 84,097,432</u>	<u>\$ 76,556,908</u>	<u>\$ 66,699,998</u>	<u>\$ 56,141,096</u>	<u>\$ 48,193,584</u>	<u>\$ 40,243,056</u>	<u>\$ 43,110,037</u>	<u>\$ 45,291,699</u>	<u>\$ 64,845,452</u>
<u>Business-type Activities</u>										
Net investment in capital assets	\$ 4,438,689	\$ 4,907,956	\$ 4,889,408	\$ 5,160,995	\$ 5,547,951	\$ 5,652,137	\$ 6,454,139	\$ 6,416,321	\$ 6,141,920	\$ 6,064,650
Restricted (a)	-	-	-	-	-	-	-	-	-	1,388,268
Unrestricted (deficit)	<u>(335,682)</u>	<u>(253,174)</u>	<u>165,869</u>	<u>(150,409)</u>	<u>1,078,704</u>	<u>3,191,955</u>	<u>2,829,498</u>	<u>2,176,791</u>	<u>2,487,622</u>	<u>4,017,906</u>
Total Business-type Activities Net Position	<u>\$ 4,103,007</u>	<u>\$ 4,654,782</u>	<u>\$ 5,055,277</u>	<u>\$ 5,010,586</u>	<u>\$ 6,626,655</u>	<u>\$ 8,844,092</u>	<u>\$ 9,283,637</u>	<u>\$ 8,593,112</u>	<u>\$ 8,629,542</u>	<u>\$ 11,470,824</u>
<u>Primary Government</u>										
Net investment in capital assets	\$ 70,417,388	\$ 69,380,166	\$ 67,042,703	\$ 69,763,037	\$ 72,168,765	\$ 72,183,660	\$ 76,755,280	\$ 77,209,847	\$ 77,718,595	\$ 79,525,925
Restricted (a)	637,251	847,185	674,038	789,986	479,523	1,192,375	864,347	1,894,330	957,661	8,934,621
Unrestricted (deficit)	<u>30,269,218</u>	<u>18,524,863</u>	<u>13,895,444</u>	<u>1,157,561</u>	<u>(9,880,537)</u>	<u>(16,338,359)</u>	<u>(28,092,934)</u>	<u>(27,401,028)</u>	<u>(24,755,015)</u>	<u>(12,144,270)</u>
Total Primary Government Net Position	<u>\$ 101,323,857</u>	<u>\$ 88,752,214</u>	<u>\$ 81,612,185</u>	<u>\$ 71,710,584</u>	<u>\$ 62,767,751</u>	<u>\$ 57,037,676</u>	<u>\$ 49,526,693</u>	<u>\$ 51,703,149</u>	<u>\$ 53,921,241</u>	<u>\$ 76,316,276</u>

Notes:

(a) Change in 2015 is the result of the implementation of GASB Statement No. 68 and implementation of GASB Statement No. 71.

COUNTY OF RACINE, WISCONSIN
TABLE 2 - CHANGES IN NET POSITION
For the fiscal years ended December 31, 2006 through 2015
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
General government	\$ 12,835,356	\$ 20,202,595	\$ 19,272,110	\$ 23,739,108	\$ 18,930,580	\$ 18,794,913	\$ 21,188,097	\$ 13,569,972	\$ 12,976,425	\$ 11,456,557
Public safety	28,360,700	32,274,541	35,168,361	34,024,144	36,686,794	34,917,243	36,176,316	37,877,728	38,393,851	38,893,997
Health and social services	58,034,621	52,824,076	48,302,880	52,062,294	53,773,095	50,582,992	46,463,188	37,250,748	38,694,931	37,726,141
Education and recreation	17,167,001	10,556,142	5,488,627	5,609,494	6,821,539	6,271,197	5,841,238	5,581,326	5,855,624	5,709,148
Development	1,797,075	1,829,023	1,920,204	2,634,043	2,599,970	4,286,674	4,522,382	2,353,909	2,440,431	2,267,218
Highways and streets	4,185,199	8,446,110	6,130,001	5,482,591	7,478,321	6,845,619	6,270,486	5,221,320	5,477,378	4,930,298
Interest and fiscal charges	1,728,911	1,932,145	1,948,449	1,869,319	1,809,819	1,815,230	1,656,893	1,673,271	1,445,188	1,252,408
Total governmental activities expenses	<u>124,108,863</u>	<u>128,064,632</u>	<u>118,230,632</u>	<u>125,420,993</u>	<u>128,100,118</u>	<u>123,513,868</u>	<u>122,118,600</u>	<u>103,528,274</u>	<u>105,283,828</u>	<u>102,235,767</u>
Business-type activities:										
Healthcare Center	15,548,773	15,216,728	15,914,514	15,894,918	16,203,632	16,497,328	17,150,754	16,355,002	16,574,797	16,541,370
Reefpoint Marina	-	-	-	-	-	-	1,181,067	1,249,377	1,406,869	1,515,244
Behavioral Health Services	-	-	-	-	-	-	-	8,674,917	9,117,500	9,947,591
Golf Courses	223,706	204,218	208,672	206,099	232,445	236,165	262,551	287,433	307,278	245,428
Total Business-type activities expenses	<u>15,772,479</u>	<u>15,420,946</u>	<u>16,123,186</u>	<u>16,101,017</u>	<u>16,436,077</u>	<u>16,733,493</u>	<u>18,594,372</u>	<u>26,566,729</u>	<u>27,406,444</u>	<u>28,249,633</u>
Total expenses	<u>\$ 139,881,342</u>	<u>\$ 143,485,578</u>	<u>\$ 134,353,818</u>	<u>\$ 141,522,010</u>	<u>\$ 144,536,195</u>	<u>\$ 140,247,361</u>	<u>\$ 140,712,972</u>	<u>\$ 130,095,003</u>	<u>\$ 132,690,272</u>	<u>\$ 130,485,400</u>
Program Revenues:										
Governmental activities:										
Charges for services										
General government	\$ 4,969,487	\$ 5,074,518	\$ 4,195,317	\$ 4,073,569	\$ 4,548,389	\$ 4,689,931	\$ 4,747,056	\$ 4,573,756	\$ 4,396,263	\$ 4,456,234
Public safety	2,550,205	2,722,314	2,698,244	2,595,433	2,781,480	2,882,137	2,941,499	2,921,337	2,937,753	2,609,591
Health and social services	3,369,743	3,170,594	3,156,333	3,311,152	2,548,689	2,222,133	3,058,583	1,857,573	1,879,599	2,609,429
Education and recreation	247,248	265,734	283,086	276,205	261,235	244,946	259,031	266,987	272,202	294,905
Development	627,803	510,589	387,198	398,080	430,785	428,282	205,898	229,684	225,470	241,907
Operating grants and contributions	58,715,473	44,542,997	40,255,813	44,027,768	44,230,307	45,995,983	43,786,043	36,635,567	37,989,509	37,528,198
Capital grants and contributions	239,882	566,080	544,396	105,723	3,724,789	494,122	1,088,365	1,636,688	1,034,054	1,342,028
Total governmental activities program revenues	<u>70,719,841</u>	<u>56,852,826</u>	<u>51,520,387</u>	<u>54,787,930</u>	<u>58,525,674</u>	<u>56,957,534</u>	<u>56,086,475</u>	<u>48,121,592</u>	<u>48,734,850</u>	<u>49,082,292</u>
Business-type activities:										
Charges for services										
Healthcare Center	13,584,355	14,310,480	16,003,467	16,344,857	16,638,538	17,102,754	16,153,936	15,148,338	15,819,653	15,713,085
Reefpoint Marina	-	-	-	-	-	-	1,431,574	1,286,692	1,447,015	1,648,292
Behavioral Health Services	-	-	-	-	-	-	-	8,982,852	9,143,200	9,914,986
Golf Courses	432,681	445,247	402,179	408,822	409,461	289,804	314,984	294,076	298,911	304,450
Total business-type activities program revenues	<u>14,017,036</u>	<u>14,755,727</u>	<u>16,405,646</u>	<u>16,753,679</u>	<u>17,047,999</u>	<u>17,392,558</u>	<u>17,900,494</u>	<u>25,711,958</u>	<u>26,708,779</u>	<u>27,580,813</u>
Total program revenues	<u>\$ 84,736,877</u>	<u>\$ 71,608,553</u>	<u>\$ 67,926,033</u>	<u>\$ 71,541,609</u>	<u>\$ 75,573,673</u>	<u>\$ 74,350,092</u>	<u>\$ 73,986,969</u>	<u>\$ 73,833,550</u>	<u>\$ 75,443,629</u>	<u>\$ 76,663,105</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (53,389,022)	\$ (71,211,806)	\$ (66,710,245)	\$ (70,633,063)	\$ (69,574,444)	\$ (66,556,334)	\$ (66,032,125)	\$ (55,406,682)	\$ (56,548,978)	\$ (53,153,475)
Business-type activities	(1,755,443)	(665,219)	282,460	652,662	611,922	659,065	(693,878)	(854,771)	(697,665)	(668,820)
Total net expense	<u>\$ (55,144,465)</u>	<u>\$ (71,877,025)</u>	<u>\$ (66,427,785)</u>	<u>\$ (69,980,401)</u>	<u>\$ (68,962,522)</u>	<u>\$ (65,897,269)</u>	<u>\$ (66,726,003)</u>	<u>\$ (56,261,453)</u>	<u>\$ (57,246,643)</u>	<u>\$ (53,822,295)</u>

General Revenues and Other Changes in Net Position:

Governmental activities:											
Property taxes	\$ 52,160,158	\$ 48,167,630	\$ 50,239,596	\$ 51,397,357	\$ 45,887,633	\$ 45,035,318	\$ 51,540,458	\$ 51,378,111	\$ 51,962,329	\$ 52,178,043	
Other taxes	-	-	-	-	-	-	92,821	323	123	145	
Grants and contributions not restricted to specific programs	4,557,451	4,067,151	3,955,614	4,050,922	5,739,176	5,761,091	2,711,964	2,757,895	2,745,176	2,771,696	
Unrestricted investment earnings	5,465,557	5,716,429	4,020,086	3,288,586	3,879,971	3,840,094	3,754,217	3,487,113	3,243,584	2,841,700	
Gain (loss) on sale of capital assets	-	365,033	-	-	3,322,839	4,128,649	-	-	-	-	
Other	791,759	989,139	1,072,460	1,341,935	1,190,070	1,401,946	1,115,493	1,206,511	1,513,197	2,108,633	
Transfers	(1,755,412)	(1,216,994)	(118,035)	697,353	(1,004,147)	(1,558,276)	(1,133,356)	(216,779)	(733,769)	(679,048)	
Total governmental activities	<u>61,219,513</u>	<u>58,088,388</u>	<u>59,169,721</u>	<u>60,776,153</u>	<u>59,015,542</u>	<u>58,608,822</u>	<u>58,081,597</u>	<u>58,613,174</u>	<u>58,730,640</u>	<u>59,221,169</u>	
Business-type activities:											
Unrestricted investment earnings	-	-	-	-	-	-	67	47	326	54	
Other	-	-	-	-	-	96	-	-	-	-	
Transfers	1,755,412	1,216,994	118,035	(697,353)	1,004,147	1,558,276	1,133,356	216,779	733,769	679,048	
Total business-type activities	<u>1,755,412</u>	<u>1,216,994</u>	<u>118,035</u>	<u>(697,353)</u>	<u>1,004,147</u>	<u>1,558,372</u>	<u>1,133,423</u>	<u>216,826</u>	<u>734,095</u>	<u>679,102</u>	
Total	<u>\$ 62,974,925</u>	<u>\$ 59,305,382</u>	<u>\$ 59,287,756</u>	<u>\$ 60,078,800</u>	<u>\$ 60,019,689</u>	<u>\$ 60,167,194</u>	<u>\$ 59,215,020</u>	<u>\$ 58,830,000</u>	<u>\$ 59,464,735</u>	<u>\$ 59,900,271</u>	
Change in Net Position:											
Governmental activities	\$ 7,830,491	\$ (13,123,418)	\$ (7,540,524)	\$ (9,856,910)	\$ (10,558,902)	\$ (7,947,512)	\$ (7,950,528)	\$ 3,206,492	\$ 2,181,662	\$ 6,067,694	
Business-type activities	(31)	551,775	400,495	(44,691)	1,616,069	2,217,437	439,545	(637,945)	36,430	10,282	
Total	<u>\$ 7,830,460</u>	<u>\$ (12,571,643)</u>	<u>\$ (7,140,029)</u>	<u>\$ (9,901,601)</u>	<u>\$ (8,942,833)</u>	<u>\$ (5,730,075)</u>	<u>\$ (7,510,983)</u>	<u>\$ 2,568,547</u>	<u>\$ 2,218,092</u>	<u>\$ 6,077,976</u>	

COUNTY OF RACINE, WISCONSIN
TABLE 3 - FUND BALANCES, GOVERNMENTAL FUNDS
For the fiscal years ended December 31, 2006 through 2015
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 *</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:										
Reserved	\$ 8,875,786	\$ 10,128,884	\$ 10,416,277	\$ 11,952,172	\$ 13,866,026	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	25,974,133	28,928,155	32,126,060	33,518,452	31,102,669	-	-	-	-	-
Nonspendable	-	-	-	-	-	12,857,104	15,904,149	15,800,363	16,277,554	16,921,458
Restricted	-	-	-	-	-	712,400	311,936	312,246	308,297	308,705
Committed	-	-	-	-	-	16,956,084	14,307,806	16,293,451	17,589,978	18,209,733
Unassigned	-	-	-	-	-	<u>17,942,581</u>	<u>15,193,056</u>	<u>15,704,799</u>	<u>14,128,108</u>	<u>15,827,299</u>
Total General Fund	<u>34,849,919</u>	<u>39,057,039</u>	<u>42,542,337</u>	<u>45,470,624</u>	<u>44,968,695</u>	<u>48,468,169</u>	<u>45,716,947</u>	<u>48,110,859</u>	<u>48,303,937</u>	<u>51,267,195</u>
Other governmental funds:										
Reserved	18,263,175	6,541,413	1,441,945	1,168,148	846,239	-	-	-	-	-
Unreserved - reported in:										
Special Revenue Funds	6,936,368	1,681,422	1,392,535	3,502,467	5,546,339	-	-	-	-	-
Capital Projects Fund	(393,605)	(217,852)	2,823,422	2,288,885	2,411,224	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	298,773	276,631	271,627	282,631	273,801
Restricted	-	-	-	-	-	409,299	622,723	1,851,244	942,562	779,499
Committed	-	-	-	-	-	8,188,351	7,679,370	7,331,450	8,782,738	5,126,316
Assigned	-	-	-	-	-	2,275,724	2,794,177	2,500,134	1,897,768	6,740,705
Unassigned (deficit)	-	-	-	-	-	-	-	(46,588)	(7,460)	-
Total other governmental funds	<u>24,805,938</u>	<u>8,004,983</u>	<u>5,657,902</u>	<u>6,959,500</u>	<u>8,803,802</u>	<u>11,172,147</u>	<u>11,372,901</u>	<u>11,907,867</u>	<u>11,898,239</u>	<u>12,920,321</u>
TOTAL FUND BALANCES	<u>\$ 59,655,857</u>	<u>\$ 47,062,022</u>	<u>\$ 48,200,239</u>	<u>\$ 52,430,124</u>	<u>\$ 53,772,497</u>	<u>\$ 59,640,316</u>	<u>\$ 57,089,848</u>	<u>\$ 60,018,726</u>	<u>\$ 60,202,176</u>	<u>\$ 64,187,516</u>

Notes:

See the notes to financial statements for complete details of the fund balances.

* - The County implemented GASB Standard 54 effective 1/1/11. Prior years have not been restated to reflect this change in reporting.

TABLE 4 - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
For the fiscal years ended December 31, 2006 through 2015
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:										
Property taxes	\$ 52,388,683	\$ 47,814,884	\$ 49,372,687	\$ 50,512,920	\$ 50,809,305	\$ 50,987,609	\$ 50,909,907	\$ 51,109,127	\$ 51,293,780	\$ 51,137,678
Intergovernmental	63,465,636	48,868,770	44,752,263	48,168,013	51,525,420	50,287,457	47,599,909	40,536,437	41,598,070	41,893,689
Fines and fees	8,010,299	8,425,546	7,496,111	7,086,991	7,716,658	7,749,642	8,427,429	8,655,700	8,590,341	9,396,850
Interest income	5,465,557	5,716,429	4,020,086	3,288,586	3,322,839	4,128,649	3,754,217	3,487,113	3,243,584	2,841,717
Miscellaneous	<u>4,582,207</u>	<u>4,598,005</u>	<u>4,248,842</u>	<u>4,902,184</u>	<u>4,237,942</u>	<u>3,714,587</u>	<u>3,708,088</u>	<u>2,413,387</u>	<u>2,805,693</u>	<u>3,089,377</u>
Total revenues	<u>133,912,382</u>	<u>115,423,634</u>	<u>109,889,989</u>	<u>113,958,694</u>	<u>117,612,164</u>	<u>116,867,944</u>	<u>114,399,550</u>	<u>106,201,764</u>	<u>107,531,468</u>	<u>108,359,311</u>
Expenditures:										
Current:										
General government	12,843,110	16,594,996	16,727,647	19,873,265	14,054,302	15,726,460	17,862,727	12,566,127	12,787,706	11,205,047
Public safety	26,243,408	26,661,328	26,898,723	26,553,273	29,558,926	32,962,956	33,147,567	33,667,840	35,090,055	35,589,333
Health and social services	57,602,914	49,332,379	45,457,526	47,089,952	48,174,139	47,021,339	43,808,518	37,012,809	37,967,539	37,417,651
Education and recreation	17,242,794	10,104,371	5,325,158	4,853,010	4,841,796	4,860,902	4,511,189	4,995,648	5,097,913	5,050,077
Development	1,614,327	1,792,841	1,924,273	1,715,127	1,647,439	2,725,818	3,051,344	1,357,363	1,455,472	1,426,918
Highways and streets	5,059,296	6,186,109	6,882,353	6,527,834	8,679,234	6,114,854	7,266,428	7,777,129	9,577,062	8,327,803
Capital outlay	8,274,477	13,395,339	3,485,171	1,971,496	3,180,033	4,426,458	6,148,346	5,765,958	3,733,621	4,110,646
Debt service principal	2,736,264	3,186,996	3,500,870	3,953,246	4,383,769	4,309,329	12,667,058	5,511,131	5,575,762	5,526,177
Debt service interest and fiscal charges	<u>1,690,231</u>	<u>1,950,674</u>	<u>1,922,244</u>	<u>1,891,891</u>	<u>1,835,396</u>	<u>1,744,994</u>	<u>1,717,804</u>	<u>1,619,324</u>	<u>1,467,319</u>	<u>1,447,931</u>
Total Expenditures	<u>133,306,821</u>	<u>129,205,033</u>	<u>112,123,965</u>	<u>114,429,094</u>	<u>116,355,034</u>	<u>119,893,110</u>	<u>130,180,981</u>	<u>110,273,329</u>	<u>112,752,449</u>	<u>110,101,583</u>
Excess (deficiency) of revenues over expenditures	<u>605,561</u>	<u>(13,781,399)</u>	<u>(2,233,976)</u>	<u>(470,400)</u>	<u>1,257,130</u>	<u>(3,025,166)</u>	<u>(15,781,431)</u>	<u>(4,071,565)</u>	<u>(5,220,981)</u>	<u>(1,742,272)</u>
Other Financing Sources (Uses):										
Transfers in	6,143,681	6,051,557	15,510,168	19,960,104	15,805,719	13,579,254	13,122,729	15,049,544	12,314,105	15,103,686
Transfers out	(8,621,002)	(7,396,603)	(15,970,514)	(19,601,539)	(16,640,476)	(15,249,969)	(14,423,362)	(16,243,668)	(13,220,204)	(16,089,775)
Issuance of general obligation debt	21,035,000	2,155,000	3,795,000	4,335,000	4,920,000	6,560,000	14,447,412	7,020,000	6,135,000	6,565,000
Issuance of refunding bonds	-	-	-	-	-	-	-	14,880,000	-	-
Net premium on issuance of debt	152,954	12,578	37,539	6,720	-	-	73,784	1,902,105	143,463	129,061
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	(15,607,538)	-	-
Sale of property	<u>2,638</u>	<u>365,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,700</u>	<u>10,400</u>	<u>-</u>	<u>32,067</u>	<u>19,640</u>
Total other financing sources (uses)	<u>18,713,271</u>	<u>1,187,565</u>	<u>3,372,193</u>	<u>4,700,285</u>	<u>4,085,243</u>	<u>4,892,985</u>	<u>13,230,963</u>	<u>7,000,443</u>	<u>5,404,431</u>	<u>5,727,612</u>
Net change in fund balances	\$ 19,318,832	\$ (12,593,834)	\$ 1,138,217	\$ 4,229,885	\$ 5,342,373	\$ 1,867,819	\$ (2,550,468)	\$ 2,928,878	\$ 183,450	\$ 3,985,340
Capitalized expenditures	\$ 10,010,427	\$ 14,065,117	\$ 6,201,900	\$ 6,269,347	\$ 7,112,732	\$ 5,762,786	\$ 7,892,151	\$ 8,756,298	\$ 7,000,061	\$ 7,158,889
Debt Service as a percent of noncapital expenditures (a)	3.59%	4.46%	5.12%	5.40%	5.69%	5.30%	11.76%	7.02%	6.66%	6.77%

Notes:

(a) Calculation excludes refunding debt payments.

COUNTY OF RACINE, WISCONSIN
TABLE 5 - EQUALIZED VALUE OF TAXABLE PROPERTY
For the fiscal years ended December 31, 2006 through 2015

Fiscal Year Ended	Real Estate				Personal Property	Total Taxable Equalized Value (EV) (a)	Total Tax Increment District (TID)	EV less TID (b)	County General Tax Levy (c)	Tax Rate (d)
	Residential	Commercial	Manufacturing	Other						
2006	\$ 11,576,805,100	\$ 2,250,820,300	\$ 396,831,300	\$ 303,303,100	\$ 302,606,000	\$ 14,830,365,800	\$ 521,705,250	\$ 14,308,660,550	\$ 43,466,876	\$ 3.04
2007	12,227,187,600	2,439,988,800	407,206,600	322,729,100	262,648,000	15,659,760,100	615,893,650	15,043,866,450	45,132,541	3.00
2008	12,433,153,100	2,496,865,500	419,076,500	324,484,200	319,128,000	15,992,707,300	665,102,950	15,327,604,350	46,482,004	3.03
2009	12,188,406,100	2,640,032,600	432,763,300	323,520,400	327,325,300	15,912,047,700	695,535,250	15,216,512,450	47,592,924	3.13
2010	11,538,790,000	2,632,552,300	421,179,200	309,215,900	326,895,200	15,228,632,600	630,778,050	14,597,854,550	48,013,591	3.29
2011	11,400,424,500	2,608,668,400	418,792,500	307,351,400	306,179,600	15,041,416,400	623,167,550	14,418,248,850	48,013,591	3.33
2012	10,554,091,100	2,538,531,400	430,052,000	284,344,700	309,975,700	14,116,994,900	653,365,750	13,463,629,150	48,010,525	3.57
2013	10,095,309,600	2,299,275,100	460,183,100	289,807,700	294,273,900	13,438,849,400	595,397,150	12,843,452,250	48,010,526	3.74
2014	10,229,559,200	2,375,666,900	433,287,900	263,734,400	321,570,400	13,623,818,800	520,259,950	13,103,558,850	48,010,526	3.66
2015	10,330,610,000	2,512,370,100	443,322,500	277,371,900	332,354,300	13,896,028,800	584,524,350	13,311,504,450	48,010,526	3.61

Source: State of Wisconsin Department of Revenue Equalization Division

Notes:

- (a) Due to varying assessment ratios to full market value used in municipalities, all underlying tax districts such as counties are required to use equalized value for levying property taxes. Equalized value, defined by State Statute, is the legal market value determined by the Wisconsin Department of Revenue Bureau of Property Tax. The equalized value determined as of January 1st is used to apportion the tax levied in November and collected in the subsequent year. This table reports the equalized value with the corresponding fiscal year in which the tax is collected.
- (b) Equalized Values are reduced by Tax Increment District value increments for apportioning the County levy.
- (c) Levy shown is the general countywide levy and excludes levies for county schools, bridge aids, and the library system. These levies were excluded since they apply to select municipalities within the County and are not county wide.
- (d) Per \$1,000 of equalized value.
The total tax rate is included for analytical purposes only and does not represent a rate that is applicable to any one municipality.

footnote County taxes are allocated based upon total Equalized assessed Value with Tax Incremental Districts removed.
The tax rate is an artificial rate determined by dividing the total of the four separate levies by the total EAV TID out.
The County levies four separate tax levies.
Three of the levies are apportioned to only a portion of the County.
The total tax rate is included for analytical purposes only and does not represent a rate that is applicable to any one municipality.

COUNTY OF RACINE, WISCONSIN
TABLE 6 - PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed		Percentage of Total County Taxable Assessed	Taxable Assessed		Percentage of Total County Taxable Assessed
	Value	Rank	Value	Value	Rank	Value
Centerpoint Properties Trust	\$ 57,976,300	1	0.45%			
S.C. Johnson & Son, Inc.	54,046,700	2	0.42%	\$ 115,594,624	1	0.83%
Racine Joint Venture (Regency Mall)	48,178,900	3	0.37%	76,076,073	2	0.54%
All Saints Health Care	39,799,300	4	0.31%	41,958,491	3	0.30%
United Natural Foods	27,569,800	5	0.21%			
Johnson Financial Group	25,158,100	6	0.19%			
Seda North America Inc	22,922,100	7	0.18%			
Mclane Foodservice Inc	19,336,700	8	0.15%			
BRP US Inc	17,746,000	9	0.14%			
Prologis Racine LLC	16,995,300	10	0.13%			
Case JI Company				32,950,667	4	0.24%
Aurora Medical Group				28,706,071	5	0.20%
Continental 63 & 81 Fund LLC (Wal-Mart Stores)				20,965,830	7	0.15%
Bombardier Motor Corp Of America				20,965,546	8	0.15%
American National Insurance f/k/a Shoemaker Prop.				18,759,208	9	0.13%
High Ridge Improvements				17,039,866	10	0.12%
Totals	<u>\$ 329,729,200</u>		<u>2.54%</u>	<u>\$ 355,976,510</u>		<u>2.54%</u>
Total County Taxable Assessed Value	<u>\$ 12,979,150,150</u>			<u>\$ 14,006,054,550</u>		

Note:

Source: Racine County Treasurer's Office and City of Racine
County taxes are allocated based upon total equalized assessed value with tax incremental districts and personal property taxes removed.

COUNTY OF RACINE, WISCONSIN
TABLE 7 - PROPERTY TAX LEVIES AND COLLECTIONS,
For the fiscal years ended December 31, 2006 through 2015

Tax Levy Year	Collection Year Ended Dec 31.	Total Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2006	\$ 256,705,260	\$ 253,017,402	98.56%	\$ 3,670,409	\$ 256,687,811	99.99%
2006	2007	277,621,142	272,518,975	98.16%	5,049,492	277,568,467	99.98%
2007	2008	290,222,257	283,893,148	97.82%	6,209,014	290,102,162	99.96%
2008	2009	305,393,464	298,193,484	97.64%	6,938,286	305,131,770	99.91%
2009	2010	318,063,935	310,315,192	97.56%	7,231,181	317,546,373	99.84%
2010	2011	322,502,719	315,464,185	97.82%	6,203,657	321,667,842	99.74%
2011	2012	329,272,692	321,913,844	97.77%	5,797,505	327,711,349	99.53%
2012	2013	338,189,017	331,065,682	97.89%	4,526,110	335,591,792	99.23%
2013	2014	319,199,884	312,628,530	97.94%	2,515,410	315,143,940	98.73%
2014	2015	334,261,456	334,261,456	100.00%	-	328,458,281	98.26%

Source: Racine County Treasurer's Office

Notes:

This table represents the total County-wide property tax collections as the County Treasurer is responsible for settling in full with the underlying taxing jurisdictions for all real estate and special taxes.

See Note I. D.2. for property tax collection and settlement process with the state and local governments.

COUNTY OF RACINE, WISCONSIN
TABLE 8 - PROPERTY TAX RATES
For the fiscal years ended December 31, 2006 through 2015
(rates per \$1,000 of equalized value)

	2015 Equalized Value (f)	Levy Year												
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
County direct rate														
General	\$ 13,311,504,450	\$ 3.04	\$ 3.00	\$ 3.03	\$ 3.13	\$ 3.29	\$ 3.33	\$ 3.57	\$ 3.74	\$ 3.66	\$ 3.61			
Overlapping rates (g)														
Racine County:														
County Schools (a)	\$ 4,755,371,011	\$ 0.17	\$ 0.20	\$ 0.20	\$ 0.15	\$ 0.14	\$ 0.14	\$ 0.15	\$ 0.25	\$ 0.24	\$ 0.17			
Bridge Aids (b)	3,538,711,500	-	-	0.02	0.01	-	0.01	0.03	-	-	-			
Lakeshore Library (c)	8,489,549,600	0.24	0.23	0.22	0.22	0.24	0.24	0.27	0.27	0.26	0.26			
Cities:														
Burlington (d)	\$ 664,133,300	\$ 18.97	\$ 20.54	\$ 20.56	\$ 20.58	\$ 20.95	\$ 21.77	\$ 21.80	\$ 24.09	\$ 22.97	\$ 23.38			
Racine	3,103,991,050	21.27	21.11	21.96	22.80	23.84	25.47	28.47	29.13	29.14	30.71			
Towns:														
Burlington	\$ 642,439,700	\$14.52-15.42	\$14.60-15.47	\$14.29-15.14	\$14.77-15.63	\$16.76-17.71	\$17.09-18.04	\$16.79-17.74	\$17.29-18.18	\$16.59-17.49	\$16.68-17.58			
Dover	335,883,500	13.69-17.38	13.97-16.37	13.77-16.65	14.21-17.36	15.91-19.64	16.48-18.90	16.89-19.71	16.96-20.06	16.00-18.03	16.27-18.60			
Norway	833,541,900	13.93-15.73	14.05-15.63	14.10-16.56	14.56-16.96	15.38-18.28	15.41-17.68	14.87-17.28	14.93-17.69	14.82-17.92	15.05-18.22			
Raymond	461,489,600	15.45-16.61	14.95-15.65	14.83-16.52	15.88-16.81	18.27-19.54	18.30-18.64	17.97-18.70	18.62-19.75	17.90-18.43	17.73-18.63			
Rochester (e)	n/a	13.81-16.68	13.90-15.78	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
Waterford	740,559,200	16.35-16.83	16.10-16.39	16.02-16.12	16.55-16.92	17.30-17.50	17.57-17.80	18.07-18.67	18.06-18.70	17.74-18.30	17.45-17.93			
Yorkville	524,797,600	15.40-16.42	15.46-16.42	15.90-16.82	16.26-17.14	18.24-19.47	17.56-18.55	18.21-20.19	18.41-19.41	17.56-18.69	17.46-19.09			
Villages:														
Caledonia	\$ 1,959,569,900	\$15.08-16.83	\$14.68-16.30	\$15.18-16.77	\$16.19-17.46	\$16.20-17.51	\$16.80-18.12	\$20.17-21.65	\$19.99-20.86	\$18.94-19.75	\$19.92-20.62			
Elmwood Park	36,666,400	14.33	14.07	14.79	15.74	16.08	16.11	17.29	19.54	18.60	19.80			
Mount Pleasant	2,359,296,400	16.10-16.81	15.09-15.72	15.85-16.46	16.82-17.12	18.49-18.81	20.61-20.96	21.98-22.33	21.16	20.23	21.43			
North Bay	34,317,700	15.81	14.50	17.43	17.43	21.83	22.04	23.38	20.99	19.83	20.59			
Rochester	349,999,000	15.73	15.71	13.48-15.44	14.14-16.56	15.14-17.61	15.40-17.79	15.97-18.67	17.15-19.52	16.52-18.89	15.82-18.84			
Sturtevant	332,453,900	17.52	17.40	17.99	18.82	20.82	21.08	23.16	22.74	21.82	23.36			
Union Grove	291,148,400	20.14	19.00	19.33	20.16	21.88	21.53	23.63	23.67	22.72	23.07			
Waterford	412,683,100	19.65	19.51	19.73	21.40	21.46	21.76	21.89	21.95	21.26	22.96			
Wind Point	228,533,800	14.41	13.84	14.30	15.24	16.32	16.98	17.05	16.38	15.62	16.29			

Notes:

Source: Racine County budgets and Racine County Real Property Lister

- (a) County Schools levy excludes the following taxing districts: Villages of Caledonia, Elmwood Park, Mt Pleasant, North Bay, Sturtevant, and Wind Point and the City of Racine.
- (b) Bridge Aids levy is assessed only on the Town taxing districts.
- (c) Lakeshore Library levy excludes the following tax districts who have a separate library: Villages of Rochester, Union Grove, and Waterford and Cities of Burlington and Racine.
- (d) The City of Burlington is located in both Racine and Walworth Counties. The above rates are for Racine County portion only.
- (e) In 2008, the Town and Village of Rochester merged into a single municipality as the Village of Rochester.
- (f) Due to varying assessment ratios to full market used by the municipalities, all underlying tax districts, such as counties, are required to use equalized value for levying property taxes. Equalized values are determined by the Wisconsin Department of Revenue Bureau of Property Tax and exclude tax increment districts.
- (g) All overlapping rates include applicable county direct rates. Ranges are due to differences in tax rates of school and sanitary districts within those municipalities.

COUNTY OF RACINE, WISCONSIN
TABLE 9 - RATIOS OF OUTSTANDING DEBT BY TYPE
For the fiscal years ended December 31, 2006 through 2015

Fiscal Year	Equalized Valuation (a)	Governmental Activities				Business-type Activities			Total General Obligation Debt	Percent of Debt to Equalized Valuation	Percent of Debt to Personal Income (b)	Debt Per Capita (b)
		Tax Exempt General Obligation Notes	Tax Exempt General Obligation Bonds	State Trust Fund Loans	Taxable General Obligation Bonds	Tax Exempt General Obligation Bonds	Tax Exempt General Obligation Notes					
2006	\$ 14,830,365,800	\$ 16,847,288	\$ 18,970,000	\$ 136,255	\$ 9,985,000	\$ 4,050,000	\$ 1,857,712	\$ 51,846,255	0.35%	0.78%	\$ 266.45	
2007	15,659,760,100	16,493,060	18,445,000	119,261	9,815,000	3,805,000	1,671,941	50,349,262	0.32%	0.72%	258.05	
2008	15,992,707,300	17,504,637	17,920,000	101,515	9,605,000	3,550,000	1,480,364	50,161,516	0.31%	0.69%	255.51	
2009	15,912,047,700	18,644,116	17,395,000	82,958	9,355,000	3,285,000	1,285,885	50,047,959	0.31%	0.69%	254.85	
2010	15,228,632,600	16,870,000	16,870,000	63,566	9,055,000	3,010,000	2,725,000	48,593,566	0.32%	0.66%	248.68	
2011	15,041,416,400	23,324,198	16,115,000	43,301	8,705,000	1,082,697	870,800	50,140,996	0.33%	0.67%	256.84	
2012	14,116,994,900	34,594,499	15,330,000	-	-	7,430,000	635,501	57,990,000	0.41%	0.73%	296.80 (c)	
2013	13,438,849,400	34,732,986	17,530,000	-	-	6,905,000	552,014	59,720,000	0.44%	0.74%	305.98	
2014	13,623,818,800	36,848,039	17,785,593	-	-	6,375,742	468,215	61,477,589	0.45%	0.76%	314.53	
2015	13,896,028,800	39,374,231	16,231,971	-	-	4,350,088	1,860,792	61,817,082	0.44%	*	316.23	

Notes:

- (a) Value as reduced by tax incremental financing districts
- (b) Calculated using population and personal income data found in table 12.
- (c) Increases due to issuance of debt for marina acquisition in 2012.
- * Information not yet available

Details of the County's outstanding debt can be found in the notes to the financial statements.

COUNTY OF RACINE, WISCONSIN
TABLE 10 - RATIOS OF GENERAL BONDED DEBT
For the fiscal years ended December 31, 2006 through 2015

Fiscal Year	Total General Bonded Debt (Table 9)	Reserved Funds for Debt Service (a)	Net General Bonded Debt	Total Taxable Equalized Value (Table 5)	Net General Bonded Debt to Equalized Property Value	Population (Table 12)	Net General Bonded Debt Per Capita
2006	\$ 51,846,255	\$ 694,569	\$ 51,151,686	\$ 14,830,365,800	0.34%	194,580	\$ 262.88
2007	50,349,262	702,099	49,647,163	15,659,760,100	0.32%	195,113	254.45
2008	50,161,516	528,930	49,632,586	15,992,707,300	0.31%	196,321	252.81
2009	50,047,959	682,567	49,365,392	15,912,047,700	0.31%	196,380	251.38
2010	48,593,566	361,848	48,231,718	15,228,632,600	0.32%	195,408	246.83
2011	50,140,996	193,570	49,947,426	15,041,416,400	0.33%	195,225	255.85
2012	57,990,000	66,024	57,923,976	14,116,994,900	0.41%	195,386	296.46
2013	59,720,000	1,125,099	58,594,901	13,438,849,400	0.44%	195,174	300.22
2014	61,477,589	209,568	61,268,021	13,623,818,800	0.45%	195,461	313.45
2015	61,817,082	216,084	61,600,998	13,896,028,800	0.44%	195,484	315.12

(a) This amount is from the Statement of Net Position and is reserved/restricted fund balance net of accrued interest payable.

Details of the County's outstanding debt can be found in the notes to the financial statements.

COUNTY OF RACINE, WISCONSIN
TABLE 11 - LEGAL DEBT MARGIN INFORMATION,
For the fiscal years ended December 31, 2006 through 2015
(dollars in thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Equalized Value of Taxable Property (a)	\$ 14,830,366	\$ 15,659,760	\$ 15,992,707	\$ 15,912,048	\$ 15,228,633	\$ 15,041,416	\$ 14,116,995	\$ 13,438,849	\$ 13,623,819	\$ 13,896,029
Wisconsin Statutory Debt Limit (b)	\$ 741,518	\$ 782,988	\$ 799,635	\$ 795,602	\$ 761,432	\$ 752,071	\$ 705,850	\$ 671,942	\$ 681,191	\$ 694,801
Debt Applicable to Limit:										
General Obligation Debt (c)	\$ 51,846	\$ 50,349	\$ 50,162	\$ 50,048	\$ 48,594	\$ 50,141	\$ 57,990	\$ 59,720	\$ 61,478	\$ 61,817
Less Debt Service Funds (d)	(695)	(702)	(529)	(683)	(362)	(194)	(66)	(1,125)	(210)	(216)
Total net debt applicable to limit	\$ 51,151	\$ 49,647	\$ 49,633	\$ 49,365	\$ 48,232	\$ 49,947	\$ 57,924	\$ 58,595	\$ 61,268	\$ 61,601
Legal Debt Margin	\$ 690,367	\$ 733,341	\$ 750,002	\$ 746,237	\$ 713,200	\$ 702,124	\$ 647,926	\$ 613,347	\$ 619,923	\$ 633,200
Debt Capacity Used	6.9%	6.3%	6.2%	6.2%	6.3%	6.6%	8.2%	8.7%	9.0%	8.9%

Notes:

(a) The Equalized value shown on this table is as of January 1 of each year.

(b) State statutes limit the County's general obligation debt to 5% of its total equalized valuation.

(c) The County annually issues debt for budgeted capital projects. In 2003, the County issued an additional \$10.47 million to pay the County's unfunded pension liability to the Wisconsin Retirement System (debt was issued at a rate lower than the 8% rate being paid to WRS). In 2006, the County issued an additional \$18.97 million to fund the jail expansion and in 2012, the County issued \$5 million to fund the acquisition of the marina.

(d) Fund Balances restricted for debt service per Balance Sheet - Governmental Funds

COUNTY OF RACINE
TABLE 12 - DEMOGRAPHIC AND ECONOMIC STATISTICS
For the fiscal years ended December 31, 2006 through 2015

<u>Year</u>	<u>Population (a)</u>	<u>Per Capita</u>		<u>Personal Income (a) x (b)</u>	<u>School Enrollment (c)</u>		<u>Unemployment Rates (d)</u>	
		<u>Personal Income (b)</u>			<u>Public Schools</u>	<u>Private Schools</u>	<u>Racine County</u>	<u>State of Wisconsin</u>
2006	194,580	\$ 34,078	\$	6,630,897,240	21,175	4,262	5.7%	4.7%
2007	195,113	35,763		6,977,826,219	21,696	4,134	6.0%	4.8%
2008	196,321	37,012		7,266,232,852	21,552	4,159	5.7%	4.8%
2009	196,380	36,708		7,208,717,040	21,172	4,058	10.1%	8.5%
2010	195,408	37,530		7,333,662,240	21,276	3,617	10.0%	8.3%
2011	195,225	38,425		7,501,520,625	21,100	4,829	8.9%	7.5%
2012	195,386	40,510		7,915,086,860	30,524	4,866	8.4%	6.6%
2013	195,174	41,458		8,091,523,692	30,105	5,241	7.6%	5.8%
2014	195,461	41,398		8,091,694,478	29,698	5,437	6.3%	5.0%
2015	195,484	*		*	*	*	5.1%	4.2%

* Information not available

Sources:

- (a) Wisconsin Department of Administration Population & Housing Estimates (2001-2009) and U.S. Census Bureau (2010-2011)
- (b) Wisconsin Department of Workforce Development, Office of Economic Advisors
- (c) Wisconsin Department of Public Instruction- Prior to 2012, only Racine Unified listed (due to report sorting options)
- (d) Wisconsin Department of Workforce Development, Office of Economic Advisors - Estimates

**COUNTY OF RACINE, WISCONSIN
TABLE 13 - PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
All Saints Medical Center, Inc. (formerly St. Luke's Hospital, Inc.)	1000+	1	1000+	1
S C Johnson & Son Inc.	1000+	2	1000+	5
CNH America LLC (formerly Case Corp.)	1000+	3	500-999	7
Racine Unified School District	1000+	4		
InSinkErator	1000+	5		
Aurora Health Care of Southern Lake	500-999	6		
City of Racine	500-999	7	1000+	3
Ruud Lighting Inc	500-999	8		
Nestle	500-999	9		
Department of Health Services	500-999	10	500-999	6
Emerson Electric Co			1000+	2
County of Racine			1000+	4
Bombardier Motor Corp. of America			500-999	8
Johnson Diversy, Inc			500-999	9
Modine Mfg Co			500-999	10

Source: Wisconsin Department of Workforce Development, Office of Economic Advisors
Year 2015, new source: Racinecountyedc.org

COUNTY OF RACINE, WISCONSIN
TABLE 14 - COUNTY GOVERNMENT FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2006 through 2015

<u>Function / Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government:										
Building & Facilities Management Division	13.00	12.00	12.00	12.32	12.38	12.38	13.00	13.00	13.00	13.00
Clerk of Circuit Court Office	40.00	39.00	39.00	40.00	40.00	38.63	33.50	30.75	29.75	29.40
Corporation Counsel	5.60	5.30	5.30	5.30	5.20	5.10	5.10	5.10	5.10	5.10
County Board	23.50	23.50	23.50	23.50	23.50	23.00	21.00	21.00	21.00	21.00
County Clerk	3.50	3.50	3.50	3.50	3.50	4.00	4.25	4.25	4.25	4.25
County Executive	2.25	2.25	2.25	2.18	2.18	2.18	2.18	2.18	2.18	2.18
County Treasurer	4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00
District Attorney's Office	10.00	10.70	10.70	10.90	10.05	10.05	9.65	9.65	8.80	8.80
Finance Department (d)	12.50	12.50	12.75	10.03	9.38	11.83	11.90	12.90	12.90	13.00
Human Resources Department	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00
Information Systems Department	8.00	8.00	6.00	6.00	6.00	7.00	7.00	6.00	6.00	6.00
Land Information Office	1.60	1.80	2.60	0.25	0.25	0.32	0.25	0.25	0.25	0.25
Medical Examiner Office	2.08	2.08	2.08	1.83	1.83	1.83	1.08	1.08	1.08	1.08
Print & Mail Division	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Real Property Lister Division (f)	2.44	2.44	2.44	2.44	2.44	2.44	2.44	-	-	-
Register of Deeds	6.44	6.44	6.44	6.44	5.44	5.44	5.44	7.00	7.00	7.00
UW - Extension	2.00	0.70	-	-	-	-	-	-	-	-
Veterans Service Office	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Victim Witness Office	6.50	6.45	6.45	6.45	6.45	7.33	7.33	6.00	6.00	6.00
Public Safety:										
Communications / Dispatch (c)	47.00	19.00	20.00	19.00	19.00	51.00	51.00	51.00	51.00	51.00
Emergency Management Office	1.38	1.38	1.38	1.38	1.38	1.38	1.18	1.18	1.18	1.08
Jail and Jail Alternatives	114.00	123.00	123.00	116.08	106.08	106.08	102.08	96.08	96.08	96.08
Sheriff's Office	119.70	119.65	120.65	121.43	117.15	120.70	119.00	120.00	122.00	122.00
Health and Social Services:										
Child Support Division	36.50	32.30	29.30	28.30	28.28	28.25	28.25	23.50	21.50	23.60
Family Court Commissioner (e)	5.00	5.00	5.00	5.00	5.00	-	-	-	-	-
Human Services Division	205.00	199.50	196.50	196.50	182.00	182.00	168.50	160.30	160.10	157.80
Ridgewood Care Center	149.33	148.90	149.90	149.08	148.08	148.08	144.68	158.28	162.48	161.60
Education and Recreation:										
County Schools Office (b)	-	-	-	-	-	-	-	-	-	-
Parks Division (a)	29.30	28.90	27.57	27.57	14.65	14.65	8.92	10.17	10.31	9.81
Development:										
Land Conservation Division	3.50	3.50	3.50	3.50	3.50	3.50	2.70	2.25	2.00	2.00
Planning and Development	8.90	8.70	7.90	6.25	6.25	6.18	5.60	5.99	5.59	5.59
Highways and Streets (a)	73.41	71.27	71.54	72.54	66.48	66.48	60.73	57.54	54.39	57.61
	<u>946.41</u>	<u>912.25</u>	<u>904.74</u>	<u>891.74</u>	<u>840.41</u>	<u>873.78</u>	<u>830.72</u>	<u>819.42</u>	<u>817.91</u>	<u>817.21</u>

Notes:

Source - County's annual budget report

(a) Includes Seasonal FTE's

(b) The County discontinued County School operations as of June 30, 2006.

(c) Communications department was created in 2011 to manage the County's joint dispatch operations.

(d) Finance Department includes Purchasing which was a separate department through 2008.

(e) In 2011, Family Court Commissioner ceased to exist as a separate unit and was combined into the Clerk of Courts.

(f) In 2013, Register of Deeds and Real Property Lister Division combined.

COUNTY OF RACINE, WISCONSIN
TABLE 15 - OPERATING INDICATORS BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2006 through 2015

Function / Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety - Sheriff										
Calls for Service (a)	59,372	57,376	49,761	49,116	55,999	55,220	72,156	75,442	78,417	81,808
Arrests (d)	21,486	21,985	20,804	22,145	29,118	31,085	37,233	32,067	29,100	33,531
Sworn Personnel	167	165	150	141	134	136	136	136	137	137
Average Daily Jail Population	683	723	788	790	702	688	675	684	674	673
Jail Bookings	11,650	11,624	11,118	10,642	9,710	9,676	9,285	9,154	9,047	9,090
Health and Social services - Human Service										
Economic Support Services										
Unduplicated Caseload (b)	12,828	13,851	15,997	16,027	15,308	17,942	22,157	24,716	26,284	23,342
Youth Apprehended (c)	891	799	720	630	1,224	1,350	1,230	1,134	1,031	926
Mental Health Inpatient Days	3,577	3,914	4,059	4,135	4,239	3,527	3,366	3,769	2,904	2,015
WDC Job Center of Wisconsin listings	7,808	8,555	2,870	1,527	4,107	4,089	4,602	5,747	6,685	8,620
Ridgewood Healthcare Center										
Admissions	341	334	476	425	474	449	473	483	396	396
Discharges	354	346	478	420	485	448	447	484	349	324
Education and Recreation - Parks (estimated)										
Daily Cliffside Park Camping Nights	5,874	6,603	6,918	5,880	4,533	4,930	4,941	5,585	5,887	7,030
Daily Fischer & Quarry Lake Entrance	25,950	24,970	20,225	17,842	23,444	22,563	24,805	24,628	20,663	26,324
Daily Fischer & Eagle Boat Launches	6,584	6,464	6,449	4,598	5,055	4,562	4,981	4,851	5,454	5,006
Highways and Streets - Lane Miles Maintained										
County	330	340	340	340	340	340	340	338	338	338
State	685	600	677	677	677	677	677	684	698	698

Sources: Racine County Sheriff's Office, Racine County Human Services, Ridgewood Healthcare Center, and Racine County Department of Public Works and Development Services.

Notes:

- (a) Calls for service fluctuate based on the number of available sworn personnel. In 2012, conveyance counts increased due to a change in procedure in which now each individual being transported is assigned a separate complaint number.
- (b) Unduplicated counts are based on the December 1st CARES reports.
- (c) Beginning in 2010, counts include juveniles which were previously paid for by the State
- (d) 2010 arrests increased significantly primarily due to the following factors: 1) the I-94 COP workgroup was fully staffed all year and had a record year of arrests and 2) the County assigned two deputies to a new traffic enforcement group who also made many arrests.

COUNTY OF RACINE, WISCONSIN
TABLE 16 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2006 through 2015

<u>Function / Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Public safety										
Sheriff Patrol Units	25	25	25	27	27	28	28	28	28	29
Sheriff Stations	2	2	2	2	2	2	2	2	2	2
Jail Beds (a)	650	860	876	876	876	876	876	876	876	876
Health and social services										
Licensed Beds at Ridgewood Healthcare Center	210	210	210	210	210	210	200	200	200	200
Education and recreation (b)										
Park Acreage:										
Harbor / Marina	127	127	127	127	127	127	127	127	127	127
Fox River Parkway	115	115	117	117	117	117	117	117	117	117
Root River Parkway	665	655	655	655	655	676	676	676	694	694
All Other Park Land	1,400	1,405	1,405	1,405	1,408	1,408	1,484	1,484	1,484	1,484
Bike Trail Miles	34	34	34	37	37	37	37	37	37	37
Golf Acreage	427	427	427	427	427	427	427	427	427	427
Highways and streets										
Vehicles and Pieces of Equipment	700	672	623	620	576	578	549	548	548	548
Centerline Miles of County Roads	330	165	170	170	170	170	170	164	164	164
Bridges (c)	16	16	16	16	16	16	16	17	17	17
Dams	6	6	6	6	6	6	6	6	6	6
Car Pool Fleet (Administered by PW)	12	12	12	12	11	10	12	13	13	13

Sources: Racine County Sheriff's Office, Ridgewood Healthcare Center, and Racine County Department of Public Works and Development Services.

Notes:

- (a) Increase of jail beds in 2007 is due to the jail expansion project that was completed during 2007.
- (b) In 2013, all year's recorded amounts have been updated due to change of format and source document.
- (c) According to PWDS counts, 2013 through present bridge counts are 17. This is an amendment to 2013 and 2014 reported counts.