

County of Racine, Wisconsin
Comprehensive Annual Financial Report
For the Year ending December 31, 2020

COUNTY OF RACINE, WISCONSIN

Racine, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2020

Prepared by:
Racine County Finance Department

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INTRODUCTORY SECTION

July 28, 2021

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, 2020. 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 US, 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), 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, ten villages and five 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 2020 unemployment rate was 4.9%.¹ 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. Foxconn Technology Group (the fourth-largest technology

¹ Per Bureau of Labor Statistics. The reported figures reflect revised population controls, model re-estimation, and a new seasonal adjustment procedure.

company in the world) is currently building a manufacturing campus in Racine County. The development of this campus is a significant undertaking, entailing substantial private investment by Foxconn over an approximately seven-year development timeframe which began in 2019.

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 three-year capital improvement plan. The plan identifies major capital improvement projects and the methods to finance them.

Major Initiatives. The 2021 budget includes plans for:

- More than \$7 million in equipment and facility upgrades or replacements for our Public Works, Parks, Buildings & Facility, Human Services, and Sheriff's Office operations.
- \$3.7 million for design and construction costs for improvements to County Highways.
- A \$500K recapitalization of the High Impact Loan Fund used to spur economic development projects in the County.
- A use of reserves to make certain we continue to provide strong mental health services and address other COVID-related issues.
- Additional Information Technology resources focused on enhancing cybersecurity and protecting our digital infrastructure.
- \$500K to complete the Rails to Trails/Route of the Badger through Sturtevant, Mount Pleasant, Yorkville, Union Grove and Dover.
- Resources for race and equity training for key County staff, and funds for a youth summer jobs program.

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 Aa2 rating by Moody's and Standard & Poor'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, 2020, the County was rated Aa2 by Moody's and Standard & Poor's Investor Services on its long-term debt. The rating largely reflects current and anticipated growth in the county's direct debt burden and likely growth in its overlapping debt burden tied to borrowing in support of a major economic development. The county's rising debt burden is balanced by its very healthy financial position, moderate revenue raising flexibility, and large tax base. 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 subsequent actuarial studies. 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, 2019. 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,



Brian J. Nelson
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

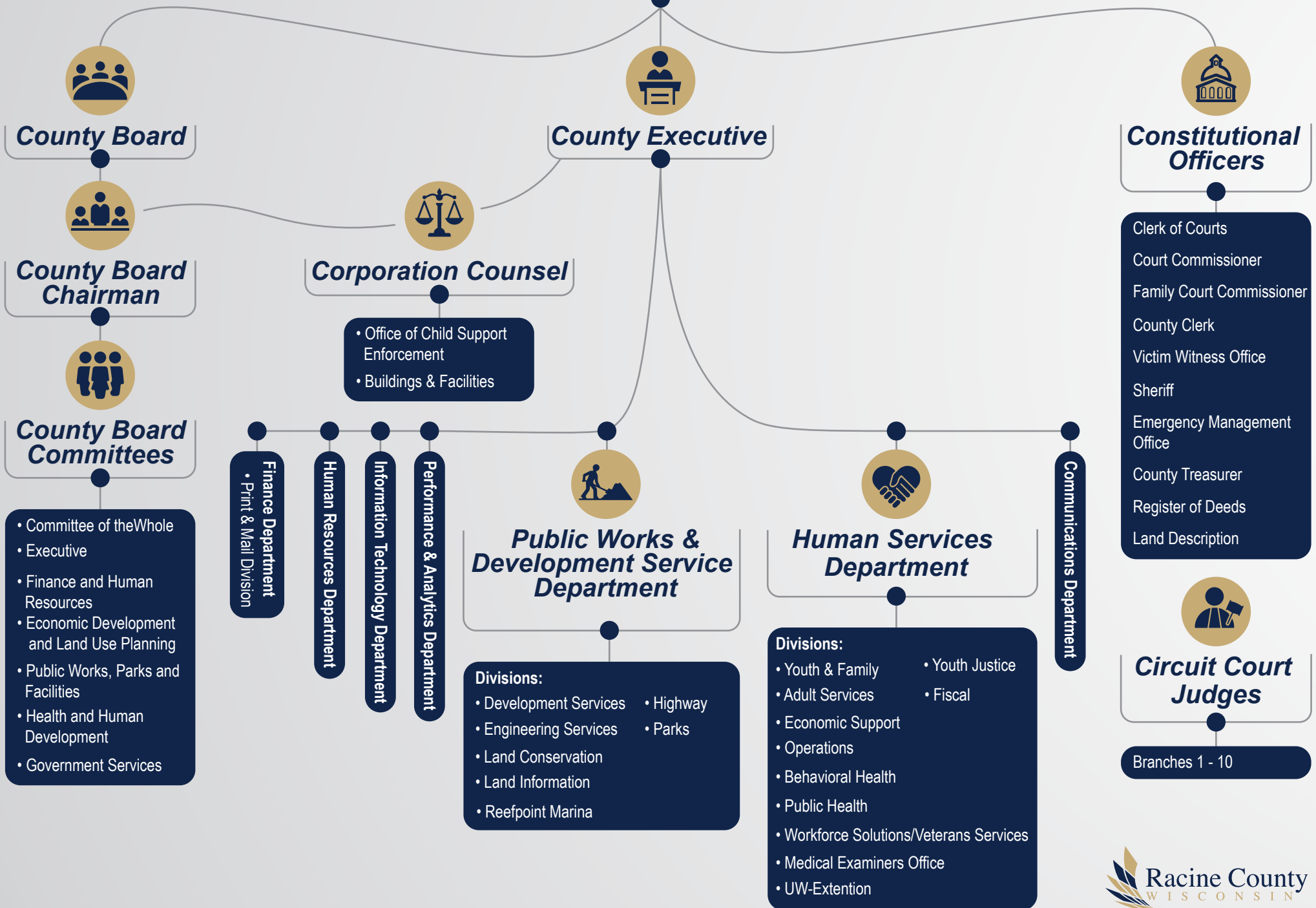
December 31, 2019

Christopher P. Morill

Executive Director/CEO

Racine County Government

Residents of Racine County



County Board

County Board Chairman

County Board Committees

- Committee of the Whole
- Executive
- Finance and Human Resources
- Economic Development and Land Use Planning
- Public Works, Parks and Facilities
- Health and Human Development
- Government Services

County Executive

Corporation Counsel

- Office of Child Support Enforcement
- Buildings & Facilities

Public Works & Development Service Department

- Divisions:**
- Development Services
 - Engineering Services
 - Land Conservation
 - Land Information
 - Reefpoint Marina
 - Highway
 - Parks

Human Services Department

- Divisions:**
- Youth & Family
 - Adult Services
 - Economic Support
 - Operations
 - Behavioral Health
 - Public Health
 - Workforce Solutions/Veterans Services
 - Medical Examiners Office
 - UW-Extention
 - Youth Justice
 - Fiscal

Constitutional Officers

- Clerk of Courts
- Court Commissioner
- Family Court Commissioner
- County Clerk
- Victim Witness Office
- Sheriff
- Emergency Management Office
- County Treasurer
- Register of Deeds
- Land Description

Circuit Court Judges

Branches 1 - 10

COUNTY OF RACINE PRINCIPAL OFFICIALS

County Elected Officials*

County ExecutiveJonathan J. Delagrave
County Clerk.....Wendy M. Christensen
County TreasurerJeffrey Latus
Register of Deeds.....Karie Pope
Clerk of Circuit Court.....Samuel Christensen
Sheriff.....Christopher Schmaling

County Board of Supervisors (by District Number) *

1 – Nick Demske	12 – Don Trottier
2 – Fabi Maldonado	13 – Tom Kramer, Vice Chairman
3 – Steve Smetana	14 – Jason Eckman
4 – Melissa Kaprelian	15 – John Wisch
5 – Jody Spencer	16 – Scott Maier
6 – Q.A. Shakoor, II	17 – Robert D. Grove
7 – Russell A. Clark	18 – Thomas E. Roanhouse, Chairman
8 – Brett A. Nielsen	19 – Tom Hincz
9 – Eric Hopkins	20 – Thomas Pringle
10 – Kelly Kruse	21 – Mike Dawson
11 – Robert N. Miller	

Appointed Officials *

Finance DirectorBrian J. Nelson
Corporation CounselMichael Lanzdorf
Human Resources DirectorSarah Street
Information Systems DirectorShuchi Wadhwa
Human Services DirectorHope M. Otto
Public Works & Development Services DirectorJulie A. Anderson
Communications Director.....Jacqueline R. Bratz
Chief of Staff.....Vacant

* - at the time this report is issued

FINANCIAL SECTION

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, 2020, 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
Racine, Wisconsin

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, 2020 and the respective changes in financial position and, where applicable, cash flows thereof 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. 84, *Fiduciary Activities*, effective January 1, 2020. 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.

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

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 section 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Racine's 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 US, LLP

Milwaukee, Wisconsin
July 28, 2021

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

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, 2020. 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 and deferred outflows of resources were in deficit of its liabilities and deferred inflows of resources at the close of the 2020 year by \$111.2 million (*net position*), with a \$127.6 million deficit in governmental activities and a \$16.4 million surplus in business-type activities. The unrestricted net position of the County was a negative \$202.9 million.
- The County's total net position deficit decreased by \$55.9 million which was primarily due to increased grant revenue and reduced expenses primarily in governmental activities.
- On December 31, 2020, the County's governmental funds maintained a combined fund balance of \$63.8 million. Approximately \$13.0 million, or 20.4% 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 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).

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

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 Reefpoint Marina, Behavioral Health Services, Pritchard Park, and the County-owned golf courses.

The government-wide financial statements can be found on pages 24-26 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 custodial 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, the Human Services Fund and the Debt Service Fund, which are considered to be major funds. Data from the other five 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 required supplementary information, budgetary comparison schedules have been provided for the General Fund and for each individual, major special revenue fund to demonstrate compliance with the budget. Budgetary comparisons for other funds with adopted budgets have been included in other supplementary financial information.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

The basic governmental fund financial statements can be found on pages 27-32 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 Reefpoint Marina, Behavioral Health Services, Pritchard Park, and golf course operations. *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. Reefpoint Marina, Behavioral Health Services, and Pritchard Park 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 33-42 of this report.

Custodial 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 custodial funds is much like that used for proprietary funds.

The County's custodial funds are used to account for monies received, held, and disbursed on behalf of the State of Wisconsin Court System located in the County; health service representative payee; and certain other local governments.

The custodial fund financial statements can be found on pages 43-44 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 46-92 of this report.

Required supplementary information provides budgetary comparison for county's general fund and major special revenue funds and information on the County's other postemployment benefits (OPEB) and pension plan on pages 93-97 of this report.

Supplementary information includes the combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and custodial funds. Combining and individual fund statements are presented immediately following the required supplementary information on pages 98-111 of this report.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$111.2 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.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

RACINE COUNTY'S NET POSITION
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
	Current and other assets	\$ 164,981	\$ 152,374	\$ 4,021	\$ 7,723	\$ 169,002
Capital Assets	114,571	112,796	18,210	14,719	132,781	127,515
Total assets	279,552	265,170	22,231	22,442	301,783	287,612
Deferred outflows	51,676	51,923	1,111	1,536	52,787	53,459
Long-term liabilities	328,958	395,051	3,162	4,028	332,120	399,079
Other liabilities	12,127	9,557	2,245	2,744	14,372	12,301
Total liabilities	341,085	404,608	5,407	6,772	346,492	411,380
Deferred inflows	117,800	96,159	1,517	648	119,317	96,807
Net position (deficit)						
Net investment in capital assets	66,651	57,348	15,048	11,312	79,793	68,660
Restricted	11,206	2,461	640	-	11,846	2,461
Unrestricted (deficit)	(205,514)	(243,483)	730	5,246	(202,878)	(238,237)
Total net position (deficit)	\$ (127,657)	\$ (183,674)	\$ 16,418	\$ 16,558	\$ (111,239)	\$ (167,116)

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

As shown in the following table, the County's net position increased by \$55.8 million during the year.

RACINE COUNTY'S CHANGE IN NET POSITION
(in thousands)

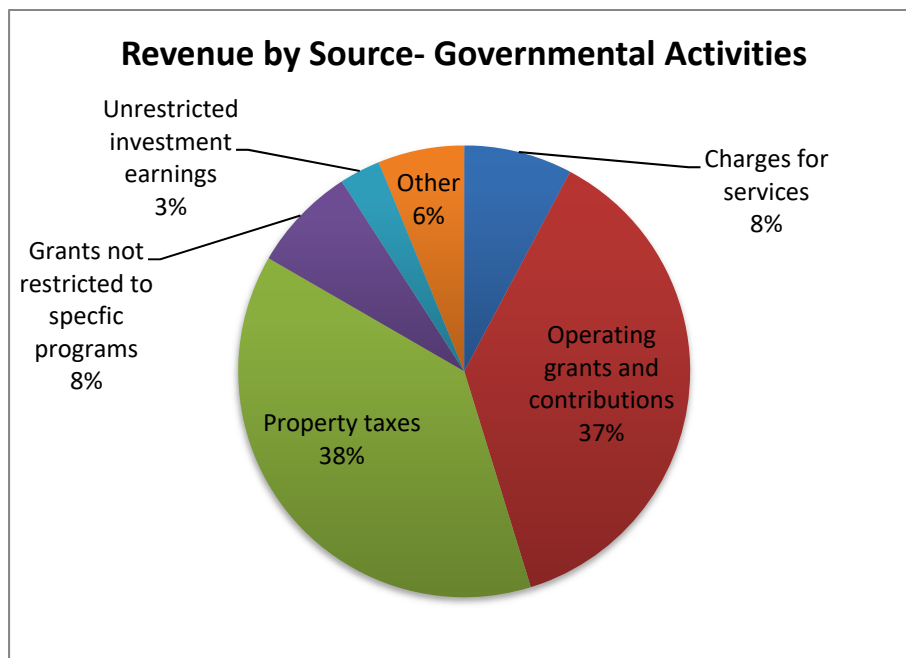
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 11,370	\$ 11,035	\$ 23,004	\$ 22,807	\$ 34,374	\$ 33,842
Operating grants and contributions	54,803	43,435	100	-	54,903	43,435
Capital grants and contributions	3	-	3,946	809	3,949	809
General Revenues:						
Property taxes	55,752	54,543	-	-	55,752	54,543
Grants not restricted to specific programs	11,024	3,353	-	-	11,024	3,353
Unrestricted investment earnings	4,314	6,527	8	37	4,322	6,563
Other	9,035	878	4	-	9,039	878
Special Item			-	-	-	-
Total revenues	146,301	119,770	27,062	23,652	173,363	143,423
Expenses:						
General government	11,683	20,300	-	-	11,683	20,300
Public safety	26,900	48,453	-	-	26,900	48,453
Health and social services	19,309	37,940	-	-	19,309	37,940
Education and recreation	4,961	4,871	-	-	4,961	4,871
Development	1,494	8,198	-	-	1,494	8,198
Highways and streets	21,918	8,459	-	-	21,918	8,459
Interest and fiscal charges	3,648	6,137	-	-	3,648	6,137
Reefpoint Marina	-	-	2,019	1,893	2,019	1,893
Behavioral Health Services	-	-	20,909	20,008	20,909	20,008
Pritchard Park	-	-	4,379	1,327	4,379	1,327
Golf Courses	-	-	266	248	266	248
Total expenses	89,913	134,358	27,573	23,476	117,486	157,834
Change in net position before transfers	56,388	(14,588)	(511)	176	55,877	(14,412)
Transfers	(371)	(3,074)	371	3,074	-	-
Change in net position	56,017	(17,662)	(140)	3,250	55,877	(14,412)
Beginning of year	(183,674)	(166,012)	16,558	13,308	(167,116)	(152,705)
Net position (deficit) - ending	\$ (127,657)	\$ (183,674)	\$ 16,418	\$ 16,558	\$ (111,239)	\$ (167,116)

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

Governmental Activities

Revenues for the County's governmental activities were \$146.3 million for fiscal year 2020, representing an increase of \$26.5 million over fiscal year 2019. This increase is largely due to changes in grants and contributions and property taxes.

Sources of revenue for 2020 as a percentage of total revenues are shown below. Property taxes constitute the largest revenue source.



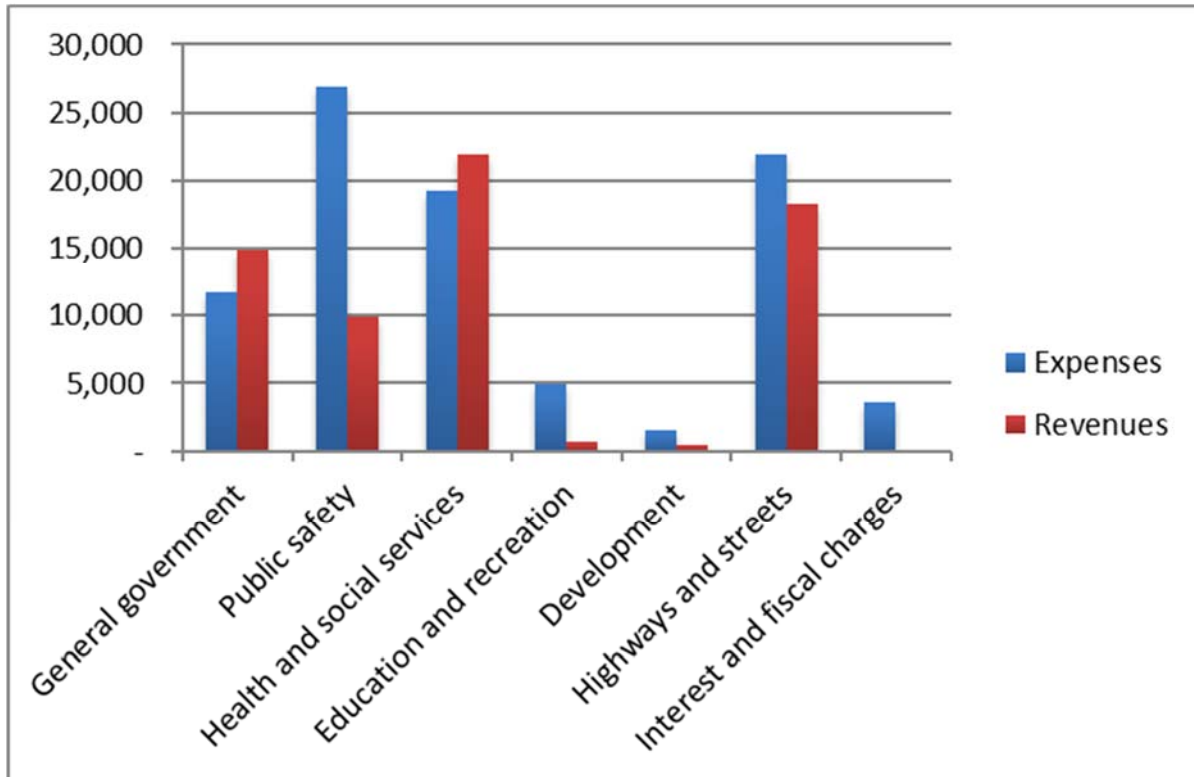
The County's expenses for governmental activities decreased by \$44.4 million, or 33.0%. Most of the change was due to decreases in pension and OPEB expenses.

Governmental activities expenses exceeded program revenues by \$23.7 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 \$56.0 million after transfers.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

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

Expenses and Program Revenues – Governmental Activities



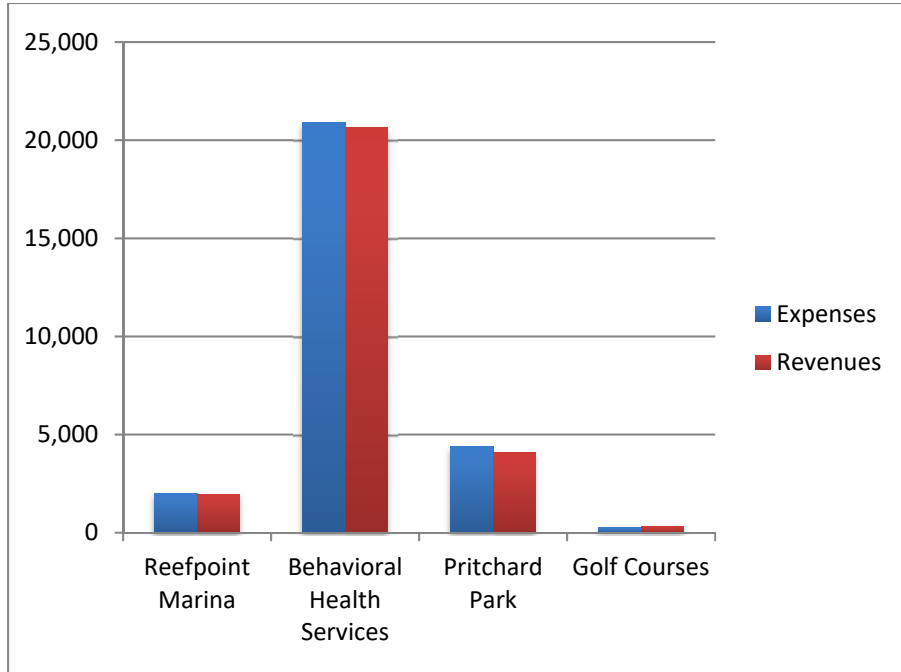
Business-type Activities

Business-type activities (before transfers) decreased the County's net position by \$0.5 million. Overall, 2020 expenses increased \$4.1 million from 2019, and 2020 revenues increased \$3.4 million from 2019.

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

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

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, 2020**

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 \$63.8 million, a decrease of \$0.9 million from the prior year. Approximately 20.4% of this amount, \$13.0 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 \$50.8 million, of which 25.6%, or \$13.0 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 15.1% of total General fund expenditures and transfers out, while total fund balance represents 58.9% of that same amount.

Fund balance of the County's General fund increased \$3.5 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 \$3.4 million is mostly assigned for specific purposes (a minor amount is non-spendable for prepaid expenses or committed). Fund balance of the Human Services department increased \$0.7 million compared to the prior year.

Debt Service fund. The Debt Service fund accounts for the revenue and expenditures associated with the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds. The Debt Service fund balance of \$2.4 million is restricted for principal and interest payments on the County's outstanding bond debt. Fund balance decreased slightly from last year by 0.2 million.

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

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

The total net position of Reefpoint Marina, Behavioral Health Services and Pritchard Park decreased slightly versus the prior year.

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 an \$16.6 million increase in appropriations. Carryovers and encumbrances to the next fiscal year accounted for nearly all the increase.

Actual revenues of the general fund were \$6 million higher than the final amended budget due mainly to increases in intergovernmental revenues.

Actual expenditures of the general fund were \$11.8 million under the final amended budget. Carryovers and encumbrances to the next fiscal year accounted for nearly all of this favorable variance.

The General Fund budgetary comparison is presented on page 30 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, 2020, amounted to \$132.8 million (net of accumulated depreciation), an increase of \$5.3 million versus 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 Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 22,087	\$ 21,812	\$ 1,132	\$ 1,132	\$ 23,219	\$ 22,944
Construction in progress	5,926	5,208	4,877	895	10,803	6,103
Buildings	35,278	34,368	6,649	6,770	41,927	41,138
Improvements	9,722	10,596	5,483	5,834	15,205	16,430
Machinery and equipment	9,509	8,455	70	89	9,579	8,544
Infrastructure	32,050	32,357	-	-	32,050	32,357
Total	\$ 114,572	\$ 112,796	\$ 18,211	\$ 14,719	\$ 132,783	\$ 127,516

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, 2020**

Long-term debt. At the end of the current fiscal year, Racine County had \$166.6 million of general obligation debt outstanding. The County has a AA rating from Standard and Poors Global Ratings 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, 2020, the County's total amount applicable to the debt margin (outstanding notes less debt service fund balance) is \$164.3 million, which is significantly below the legal limit of \$899.9 million.

During the year, the County issued \$6.84 million of general obligation bonds to finance the cost of highway projects and County building and facilities projects included in the County's 2020 budget.

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

Economic Factors

Current economic conditions have impacted communities throughout Wisconsin and the nation. Major revenue sources of the County continue to be affected by the lower than ideal economic growth, 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 2021 general county-wide levy, which covers operations and debt services, increased by \$1.4 million over 2020. Other tax levies of the County include bridge aids, library, and county schools. Total revenues and expenses for the next budget increased by \$13.3 million over the prior year.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2020**

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.racinecounty.com.

BASIC FINANCIAL STATEMENTS

County of Racine

Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 51,499,293	\$ 2,475,312	\$ 53,974,605
Receivables (net):			
Receivables (net)	88,256,707	268,914	88,525,621
Due from other governmental units	7,732,923	3,304,639	11,037,562
Internal balances	2,919,504	(2,919,504)	-
Inventories	1,585,013	35,188	1,620,201
Prepaid items	2,209,722	216,965	2,426,687
Restricted assets:			
Cash and investments	1,285,847	-	1,285,847
Net pension asset	9,492,384	639,667	10,132,051
Capital assets:			
Land	22,087,263	1,131,761	23,219,024
Construction in progress	5,925,820	4,877,031	10,802,851
Other capital assets, net of depreciation	<u>86,558,337</u>	<u>12,201,596</u>	<u>98,759,933</u>
Total assets	<u>279,552,813</u>	<u>22,231,569</u>	<u>301,784,382</u>
Deferred Outflows of Resources			
Deferred charge on refunding	582,900	-	582,900
Pension related amounts	22,822,647	1,110,790	23,933,437
OPEB related amounts	<u>28,270,870</u>	<u>-</u>	<u>28,270,870</u>
Total deferred outflows of resources	<u>51,676,417</u>	<u>1,110,790</u>	<u>52,787,207</u>
Liabilities, Deferred inflows of Resources and Net Position			
Liabilities			
Accounts payable and other current liabilities	9,641,640	1,431,751	11,073,391
Accrued interest	1,467,013	6,576	1,473,589
Grant and user fee advances	291,643	786,316	1,077,959
Deposits	727,142	-	727,142
Unearned revenues	-	20,555	20,555
Noncurrent liabilities:			
Due within one year	15,984,388	250,000	16,234,388
Due in more than one year	<u>312,973,944</u>	<u>2,911,815</u>	<u>315,885,759</u>
Total liabilities	<u>341,085,770</u>	<u>5,407,013</u>	<u>346,492,783</u>
Deferred Inflows of Resources			
Property taxes levied for future periods	57,470,015	-	57,470,015
Deferred revenue	7,324,841	-	7,324,841
Pension related amounts	28,833,899	1,517,262	30,351,161
OPEB related amounts	24,144,613	-	24,144,613
Other	<u>26,374</u>	<u>-</u>	<u>26,374</u>
Total deferred inflows of resources	<u>117,799,742</u>	<u>1,517,262</u>	<u>119,317,004</u>

See notes to financial statements

County of Racine

Statement of Net Position
December 31, 2020

	Governmental Activities	Business- Type Activities	Total
Net Position (Deficit)			
Net investment in capital assets	\$ 66,651,050	\$ 15,048,573	\$ 79,793,548
Restricted for:			
Debt service	892,473	-	892,473
Recreation land acquisition	324,658	-	324,658
Pensions	9,492,384	639,667	10,132,051
Expendable endowments	232,434	-	232,434
Nonexpendable endowments	264,246	-	264,246
Unrestricted (deficit)	<u>(205,513,527)</u>	<u>729,844</u>	<u>(202,877,608)</u>
 Total net position (deficit)	 <u>\$ (127,656,282)</u>	 <u>\$ 16,418,084</u>	 <u>\$ (111,238,198)</u>

See notes to financial statements

County of Racine

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues 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	\$ 11,682,696	\$ 5,441,693	\$ 9,479,893	\$ -	\$ 3,238,890	\$ -	\$ 3,238,890
Public safety	26,900,310	3,218,396	6,710,396	-	(16,971,518)	-	(16,971,518)
Health and social services	19,309,199	1,725,921	20,218,828	-	2,635,550	-	2,635,550
Education and recreation	4,960,785	582,699	49,811	-	(4,328,275)	-	(4,328,275)
Development	1,493,945	328,607	150,554	-	(1,014,784)	-	(1,014,784)
Highway and streets	21,917,914	72,456	18,193,706	3,441	(3,648,311)	-	(3,648,311)
Interest and fiscal charges	<u>3,648,667</u>	-	-	-	<u>(3,648,667)</u>	-	<u>(3,648,667)</u>
Total governmental activities	<u>89,913,516</u>	<u>11,369,772</u>	<u>54,803,188</u>	<u>3,441</u>	<u>(23,737,115)</u>	<u>-</u>	<u>(23,737,115)</u>
Business-type activities:							
Reefpoint Marina	2,019,172	1,961,708	-	-	-	(57,464)	(57,464)
Behavioral Health Services	20,909,128	20,642,927	-	-	-	(266,201)	(266,201)
Pritchard Park	4,378,635	58,339	100,000	3,946,238	-	(274,058)	(274,058)
Golf courses	<u>266,115</u>	<u>341,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,082</u>	<u>75,082</u>
Total business-type activities	<u>27,573,050</u>	<u>23,004,171</u>	<u>100,000</u>	<u>3,946,238</u>	<u>-</u>	<u>(522,641)</u>	<u>(522,641)</u>
Total	<u>\$ 117,486,566</u>	<u>\$ 34,373,943</u>	<u>\$ 54,903,188</u>	<u>\$ 3,949,679</u>	<u>(23,737,115)</u>	<u>(522,641)</u>	<u>(24,259,756)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					47,957,268	-	47,957,268
Property taxes, levied for debt service					7,795,198	-	7,795,198
Other taxes					417	-	417
Intergovernmental revenues not restricted to specific programs					11,024,337	-	11,024,337
Investment income					4,313,560	8,091	4,321,651
Miscellaneous					<u>9,034,998</u>	<u>3,862</u>	<u>9,038,860</u>
Transfers					<u>(370,957)</u>	<u>370,957</u>	<u>-</u>
Total general revenues and transfers					<u>79,754,821</u>	<u>382,910</u>	<u>80,137,731</u>
Change in net position					56,017,706	(139,731)	55,877,975
Net Position (deficit), Beginning					<u>(183,673,988)</u>	<u>16,557,815</u>	<u>(167,116,173)</u>
Net Position (deficit), Ending					<u>\$ (127,656,282)</u>	<u>\$ 16,418,084</u>	<u>\$ (111,238,198)</u>

See notes to financial statements

County of Racine

Balance Sheet
Governmental Funds
December 31, 2020

	<u>General</u>	<u>Human Services Fund</u>	<u>Debt Service Fund</u>
Assets			
Cash and investments	\$ 49,980,683	\$ 940	\$ -
Receivables (net):			
Property taxes	49,557,086	-	7,387,330
Delinquent property taxes	16,505,004	-	-
Loans	1,467,259	-	-
Interest and penalties	10,862,110	-	-
Accounts	1,691,713	107,418	-
Due from other governments	2,463,960	4,259,706	-
Due from other funds	-	113,555	9,163,757
Inventories	29,793	-	-
Prepaid items	2,190,163	4,412	417
Restricted cash and investments	<u>324,659</u>	<u>-</u>	<u>520,153</u>
Total assets	<u>\$135,072,430</u>	<u>\$ 4,486,031</u>	<u>\$ 17,071,657</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 2,394,898	\$ 1,053,654	\$ -
Accrued liabilities	4,401,140	-	-
Due to other funds	14,318,522	-	-
Grant and user fee advances	45,796	-	-
Deposits	<u>727,142</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>21,887,498</u>	<u>1,053,654</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenues	12,847,631	-	-
Deferred revenue	-	-	7,324,841
Property taxes levied for future periods	<u>49,557,086</u>	<u>-</u>	<u>7,387,330</u>
Total deferred inflows of resources	<u>62,404,717</u>	<u>-</u>	<u>14,712,171</u>
Fund Balances			
Nonspendable	16,864,439	4,412	-
Restricted	324,658	-	2,359,486
Committed	20,577,661	272,096	-
Assigned	-	3,155,869	-
Unassigned	<u>13,013,457</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>50,780,215</u>	<u>3,432,377</u>	<u>2,359,486</u>
Total liabilities and fund balance	<u>\$135,072,430</u>	<u>\$ 4,486,031</u>	<u>\$ 17,071,657</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 1,516,670	\$ 51,498,293
525,599	57,470,015
-	16,505,004
-	1,467,259
-	10,862,110
153,188	1,952,319
310,751	7,034,417
5,989,665	15,266,977
-	29,793
-	2,194,992
<u>441,035</u>	<u>1,285,847</u>
<u>\$ 8,936,908</u>	<u>\$ 165,567,026</u>

\$ 1,111,556	\$ 4,560,108
-	4,401,140
-	14,318,522
-	45,796
-	<u>727,142</u>
<u>1,111,556</u>	<u>24,052,708</u>

25,881	12,873,512
-	7,324,841
<u>525,599</u>	<u>57,470,015</u>
<u>551,480</u>	<u>77,668,368</u>

264,246	17,133,097
3,410,551	6,094,695
3,599,075	24,448,832
-	3,155,869
-	<u>13,013,457</u>
<u>7,273,872</u>	<u>63,845,950</u>
<u>\$ 8,936,908</u>	<u>\$ 165,567,026</u>

County of Racine

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Total Fund Balances, Governmental Funds \$ 63,845,950

Amounts Reported for Governmental Activities in the Statement of Net Position are
Different Because:

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

Land	22,087,263
Construction in progress	5,925,820
Other capital assets	194,125,779
Less accumulated depreciation	(107,567,442)
Less internal service fund capital assets, net accumulated depreciation	(9,179,803)

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. 12,873,512

The net pension asset does not relate to current financial resources and is not
reported in the governmental funds. 8,725,467

Deferred outflows of resources related to pensions and OPEB do not relate to
current financial resources and are not reported in the governmental funds. 49,324,651

Deferred inflows of resources related to pensions and OPEB do not relate to current
financial resources and are not reported in the governmental funds. (50,647,392)

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. 582,900

Internal service funds are reported in the statement of net position as governmental
activities. 12,646,587

Some liabilities, including long-term debt, are not due and payable in the current
period and, therefore, are not reported in the funds.

Bonds and notes payable	(163,454,229)
Compensated absences	(5,071,523)
Accrued interest	(1,467,013)
Unamortized debt premium	(1,480,832)
Total OPEB liability	(153,035,186)
Claims and judgments	<u>(5,890,791)</u>

Net Position of Governmental Activities \$ (127,656,282)

County of Racine

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2020

	<u>General</u>	<u>Human Services Fund</u>	<u>Debt Service Fund</u>
Revenues			
Taxes	\$ 47,211,261	\$ -	\$ 7,795,198
Intergovernmental	27,736,243	20,352,824	939,821
Fines and fees	9,290,994	1,808,585	-
Investment income	4,263,694	-	2,558
Miscellaneous	<u>950,215</u>	<u>469,597</u>	<u>7,325,050</u>
Total revenues	<u>89,452,407</u>	<u>22,631,006</u>	<u>16,062,627</u>
Expenditures			
Current:			
General government	20,210,630	-	-
Public safety	45,604,675	-	-
Health and social services	6,191,657	26,200,209	-
Education and recreation	4,763,021	-	-
Development	1,997,640	-	-
Highways and streets	1,038,791	-	-
Capital outlay	-	-	-
Debt Service:			
Principal retirement	-	-	12,347,603
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>3,899,715</u>
Total expenditures	<u>79,806,414</u>	<u>26,200,209</u>	<u>16,247,318</u>
Excess (deficiency) of revenues over expenditures	<u>9,645,993</u>	<u>(3,569,203)</u>	<u>(184,691)</u>
Other Financing Sources (Uses)			
Transfers in	200,410	4,549,589	51,306
Transfers out	(6,346,483)	(236,367)	(13,275)
Proceeds from sale of capital assets	3,128	-	-
Debt issued	-	-	-
Premium on debt issued	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,142,945)</u>	<u>4,313,222</u>	<u>38,031</u>
Net change in fund balances	3,503,048	744,019	(146,660)
Fund Balances, Beginning	<u>47,277,167</u>	<u>2,688,358</u>	<u>2,506,146</u>
Fund Balances, Ending	<u>\$ 50,780,215</u>	<u>\$ 3,432,377</u>	<u>\$ 2,359,486</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 746,424	\$ 55,752,883
2,759,965	51,788,853
-	11,099,579
47,308	4,313,560
<u>3,186</u>	<u>8,748,048</u>
<u>3,556,883</u>	<u>131,702,923</u>
-	20,210,630
-	45,604,675
-	32,391,866
573,427	5,336,448
-	1,997,640
4,513,828	5,552,619
11,029,218	11,029,218
-	12,347,603
<u>159,086</u>	<u>4,058,801</u>
<u>16,275,559</u>	<u>138,529,500</u>
<u>(12,718,676)</u>	<u>(6,826,577)</u>
4,986,713	9,788,018
(4,290,625)	(10,886,750)
26,188	29,316
6,845,000	6,845,000
<u>175,403</u>	<u>175,403</u>
<u>7,742,679</u>	<u>5,950,987</u>
(4,975,997)	(875,590)
<u>12,249,869</u>	<u>64,721,540</u>
<u>\$ 7,273,872</u>	<u>\$ 63,845,950</u>

See notes to financial statements

County of Racine

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2020

Net Change in Fund Balances, Total Governmental Funds \$ (875,590)

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	11,029,218
Some items reported as capital outlay were not capitalized	(3,570,452)
Depreciation is reported in the government-wide financial statements	(5,451,313)
Book value of disposed assets	(54,042)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

282,976

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 the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(6,845,000)
Principal repaid	12,347,603

Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or 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 are reported as interest expense.

Premium on debt issued	(175,403)
Net amortization of premiums and discounts	238,983

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.

Compensated absences	(614,548)
Claims and judgments	(954,127)
Accrued interest on debt	(651,386)
Amortization of deferred loss on refunding	(116,406)
Net pension asset and related deferrals	52,335
Total OPEB liability and related deferrals	51,139,873

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities

234,985

Change in Net Position of Governmental Activities \$ 56,017,706

County of Racine

Statement of Net Position
 Proprietary Funds
 December 31, 2020

	Business-Type Activities - Enterprise Funds				Total
	Reefpoint Marina	Behavioral Health Services	Pritchard Park	Nonmajor Enterprise Fund - Golf Courses	
Assets					
Current assets:					
Cash and investments	\$ 813,979	\$ 600	\$ -	\$ 1,660,733	\$ 2,475,312
Accounts receivable	38,003	199,252	-	31,659	268,914
Due from other governments	-	3,304,639	-	-	3,304,639
Due from other funds	-	-	-	289,839	289,839
Inventories	35,188	-	-	-	35,188
Prepaid items	11,496	205,469	-	-	216,965
Total current assets	898,666	3,709,960	-	1,982,231	6,590,857
Noncurrent assets:					
Restricted asset:					
Net pension asset	-	639,667	-	-	639,667
Capital assets:					
Land	-	-	-	1,131,761	1,131,761
Construction in progress	-	-	4,840,866	36,165	4,877,031
Buildings	3,962,434	-	2,809,490	1,983,865	8,755,789
Improvements other than buildings	1,175,910	-	4,575,599	4,217,792	9,969,301
Machinery and equipment	207,910	22,775	67,260	-	297,945
Less Accumulated depreciation	(1,561,339)	(10,249)	(802,761)	(4,447,090)	(6,821,439)
Total noncurrent assets	3,784,915	652,193	11,490,454	2,922,493	18,850,055
Total assets	4,683,581	4,362,153	11,490,454	4,904,724	25,440,912
Deferred Outflows of Resources					
Pension related amounts	-	1,110,790	-	-	1,110,790
Total deferred outflows of resources	-	1,110,790	-	-	1,110,790

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ 1,000
-
698,506
3,887,245
1,555,220
14,730
6,156,701

766,917
-
90,355
7,194,800

1,935,226
13,814,115
(13,854,693)

9,946,720
16,103,421

1,768,866

1,768,866

County of Racine

Statement of Net Position
 Proprietary Funds
 December 31, 2020

	Business-Type Activities - Enterprise Funds				
	Reefpoint Marina	Behavioral Health Services	Pritchard Park	Nonmajor Enterprise Fund -	Total
Liabilities					
Current liabilities:					
Accounts payable	\$ 241,939	\$ 928,059	\$ 175,274	\$ 86,479	\$ 1,431,751
Accrued liabilities	6,576	-	-	-	6,576
Due to other funds	61,042	2,481,812	666,489	-	3,209,343
Unearned revenue	20,555	-	-	-	20,555
Grant and user fee advances	786,316	-	-	-	786,316
Current portion of general obligation debt	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total current liabilities	<u>1,366,428</u>	<u>3,409,871</u>	<u>841,763</u>	<u>86,479</u>	<u>5,704,541</u>
Noncurrent liabilities:					
Long-term debt:					
General obligation debt payable	<u>2,911,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,911,815</u>
Total noncurrent liabilities	<u>2,911,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,911,815</u>
Total liabilities	<u>4,278,243</u>	<u>3,409,871</u>	<u>841,763</u>	<u>86,479</u>	<u>8,616,356</u>
Deferred Inflows of Resources					
Pension related amounts	-	1,517,262	-	-	1,517,262
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>1,517,262</u>	<u>-</u>	<u>-</u>	<u>1,517,262</u>
Net Position					
Net investment in capital assets	623,100	12,526	11,490,454	2,922,493	15,048,573
Restricted for:					
Pensions	-	639,667	-	-	639,667
Unrestricted (deficit)	<u>(217,762)</u>	<u>(106,383)</u>	<u>(841,763)</u>	<u>1,895,752</u>	<u>729,844</u>
Total net position	<u>\$ 405,338</u>	<u>\$ 545,810</u>	<u>\$ 10,648,691</u>	<u>\$ 4,818,245</u>	<u>\$ 16,418,084</u>

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ 253,515
426,877
1,916,196
-

245,847

12,742

2,855,177

13,029

13,029

2,868,206

2,331,120
26,374

2,357,494

9,154,033

766,917
2,725,637

\$ 12,646,587

County of Racine

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				
	Reefpoint Marina	Behavioral Health Services	Pritchard Park	Nonmajor Enterprise Fund - Golf Courses	Total
Operating Revenues					
Public charges for services	\$ 1,816,904	\$ 20,637,428	\$ -	\$ 330,146	\$ 22,784,478
Highway charges and fees	-	-	-	-	-
Other	<u>144,804</u>	<u>9,361</u>	<u>158,339</u>	<u>11,051</u>	<u>323,555</u>
Total operating revenues	<u>1,961,708</u>	<u>20,646,789</u>	<u>158,339</u>	<u>341,197</u>	<u>23,108,033</u>
Operating Expenses					
Operations and maintenance	1,765,837	20,904,193	136,427	79,349	22,885,806
Highways and streets	-	-	-	-	-
Depreciation	<u>172,117</u>	<u>4,935</u>	<u>295,970</u>	<u>186,766</u>	<u>659,788</u>
Total operating expenses	<u>1,937,954</u>	<u>20,909,128</u>	<u>432,397</u>	<u>266,115</u>	<u>23,545,594</u>
Operating income (loss)	<u>23,754</u>	<u>(262,339)</u>	<u>(274,058)</u>	<u>75,082</u>	<u>(437,561)</u>
Nonoperating Revenues (Expenses)					
Investment income	-	-	-	8,091	8,091
Interest expense	(81,218)	-	-	-	(81,218)
Loss on disposal of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(81,218)</u>	<u>-</u>	<u>-</u>	<u>8,091</u>	<u>(73,127)</u>
Income (loss) before contributions and transfers	<u>(57,464)</u>	<u>(262,339)</u>	<u>(274,058)</u>	<u>83,173</u>	<u>(510,688)</u>
Contributions and Transfers					
Transfers in	-	324,707	210,000	-	534,707
Transfers out	<u>-</u>	<u>(163,750)</u>	<u>-</u>	<u>-</u>	<u>(163,750)</u>
Total contributions and transfers	<u>-</u>	<u>160,957</u>	<u>210,000</u>	<u>-</u>	<u>370,957</u>
Change in net position	(57,464)	(101,382)	(64,058)	83,173	(139,731)
Net Position, Beginning	<u>462,802</u>	<u>647,192</u>	<u>10,712,749</u>	<u>4,735,072</u>	<u>16,557,815</u>
Net Position, Ending	<u>\$ 405,338</u>	<u>\$ 545,810</u>	<u>\$ 10,648,691</u>	<u>\$ 4,818,245</u>	<u>\$ 16,418,084</u>

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ -
15,143,317
35,830

15,179,147

-
14,720,978
908,086

15,629,064

(449,917)

-
(877)
(41,996)

(42,873)

(492,790)

1,339,275
(611,500)

727,775

234,985

12,411,602

\$ 12,646,587

County of Racine

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				Total
	Reefpoint Marina	Behavioral Health Services	Pritchard Park	Nonmajor Enterprise Fund - Golf Courses	
Cash Flows From Operating Activities					
Received from customers	\$ 2,039,286	\$ 20,686,457	\$ 3,036,574	\$ 224,431	\$ 25,986,748
Received from interfund services provided	-	-	-	-	-
Paid to suppliers for goods and services	(3,228,525)	(16,301,124)	(136,427)	(19,826)	(19,685,902)
Paid to employees for services	-	(4,546,290)	-	-	(4,546,290)
Net cash flows from operating activities	<u>(1,189,239)</u>	<u>(160,957)</u>	<u>2,900,147</u>	<u>204,605</u>	<u>1,754,556</u>
Cash Flows From Investing Activities					
Investment income	-	-	-	8,091	8,091
Net cash flows from investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,091</u>	<u>8,091</u>
Cash Flows From Noncapital Financing Activities					
Transfers in	-	324,707	210,000	-	534,707
Transfers out	-	(163,750)	-	-	(163,750)
Net cash flows from noncapital financing activities	<u>-</u>	<u>160,957</u>	<u>210,000</u>	<u>-</u>	<u>370,957</u>
Cash Flows From Capital and Related Financing Activities					
Debt retired	(245,000)	-	-	-	(245,000)
Interest payments on debt	(82,240)	-	-	-	(82,240)
Acquisition and construction of capital assets	-	-	(3,110,147)	(204,606)	(3,314,753)
Net cash flows from capital and related financing activities	<u>(327,240)</u>	<u>-</u>	<u>(3,110,147)</u>	<u>(204,606)</u>	<u>(3,641,993)</u>
Net change in cash and cash equivalents	(1,516,479)	-	-	8,090	(1,508,389)
Cash and Cash Equivalents, Beginning	<u>2,330,457</u>	<u>600</u>	<u>-</u>	<u>1,652,643</u>	<u>3,983,700</u>
Cash and Cash Equivalents, Ending	<u>\$ 813,978</u>	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ 1,660,733</u>	<u>\$ 2,475,311</u>

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ 7,699,207
7,387,322
(11,201,139)
(3,828,217)

57,173

-

-

1,339,275
(611,500)

727,775

(12,397)
(877)
(771,674)

(784,948)

-

1,000

\$ 1,000

See notes to financial statements

County of Racine

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				Total
	Reefpoint Marina	Behavioral Health Services	Pritchard Park	Nonmajor Enterprise Fund - Golf Courses	
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities					
Operating income (loss)	\$ 23,754	\$ (262,339)	\$ (274,058)	\$ 75,082	\$ (437,561)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	172,116	4,935	295,970	186,766	659,787
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Other accounts receivable	-	120,506	-	-	120,506
Customer accounts receivable	(18,745)	(80,838)	-	-	(99,583)
Receivables from municipality	-	-	2,708,633	(116,766)	2,591,867
Prepayments	(2,774)	(174,493)	195	-	(177,072)
Material and supplies	(4,959)	-	-	-	(4,959)
Accounts payable	115,209	(959,174)	169,407	59,523	(615,035)
Payable to municipality	(1,590,718)	1,156,905	-	-	(433,813)
Other current liabilities	20,555	-	-	-	20,555
Customer deposits	96,323	-	-	-	96,323
Pension related deferrals and assets	-	33,541	-	-	33,541
Net cash flows from operating activities	<u>\$ (1,189,239)</u>	<u>\$ (160,957)</u>	<u>\$ 2,900,147</u>	<u>\$ 204,605</u>	<u>\$ 1,754,556</u>
Noncash Capital and Related Financing Activities					
Amortization	<u>\$ 655</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ (449,917)

908,086

42,409

-

(269,775)

(9,407)

(284,282)

65,245

(112,594)

12,144

134,748

20,516

\$ 57,173

\$ -

County of Racine

Statement of Fiduciary Net Position
Custodial Funds
December 31, 2020

	Custodial Funds
Assets	
Cash and investments	\$ 4,575,445
Delinquent property taxes	1,532,670
Other receivables	<u>180,100</u>
Total assets	<u>6,288,215</u>
Liabilities	
Accounts payable	31,564
Deposits	<u>1,712,770</u>
Total liabilities	<u>1,744,334</u>
Net Position	
Restricted	<u>4,543,881</u>
Total net position	<u>\$ 4,543,881</u>

See notes to financial statements

County of Racine

Statement of Changes in Fiduciary Net Position

Custodial Funds

Year Ended December 31, 2020

	Custodial Funds
Additions	
Taxes	\$ 30,984
Miscellaneous	<u>2,623,169</u>
Total additions	<u>2,654,153</u>
Deductions	
Distributions	<u>2,326,911</u>
Total deductions	<u>2,326,911</u>
Change in fiduciary net position	327,242
Net Position, Beginning - as restated	<u>4,216,639</u>
Net Position, Ending	<u><u>\$ 4,543,881</u></u>

See notes to financial statements

County of Racine, Wisconsin

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December 31, 2020

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County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

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-one 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2020.

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

December 31, 2020

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.

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

The County reports the following major enterprise funds:

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

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

Pritchard Park – accounts for the activities of the County’s aquatic center.

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:

- County Road Maintenance
- County Handicapped Education
- County Bridge Aids

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 uses 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

December 31, 2020

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.

Custodial Funds are used to account for and report assets controlled by the County and the assets are for the benefit of individuals, private organizations and/or other governmental units.

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.

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 are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. 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

December 31, 2020

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 based on methods and inputs as outlined in Note III.A. 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.
- 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, 2020 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.

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, 2020.

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

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 acquisition value of the item at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects as constructed.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

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.

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.

11. Pension and Other Post Employment Benefits (OPEB)

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.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the County OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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)

12. 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 a 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

December 31, 2020

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)

12. Equity Classifications (continued)

The net position section includes an adjustment for capital assets owned by the business-type activities column but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net Investment in capital assets	\$ 66,651,050	\$ 15,048,573	\$ (1,906,075)	\$ 79,793,548
Unrestricted (deficit)	(205,513,527)	729,844	1,906,075	(202,877,608)

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 \$33,591,118 or 19%, 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 changed the County's 2020 adopted budget for the following funds:

General Fund	\$16,648,243
Human Services Fund	\$(3,604,568)

B. Deficit Balances

General accepted accounting principles require disclosure of individual funds that have a deficit balance at year end. The Fringe Benefit internal service fund has a deficit fund balance of \$436,481 due to expenditures exceeded funding sources. The deficit is anticipate to be funded with future contributions.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

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.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The County had the following deposits and investments as of December 31, 2020:

Petty Cash	\$ 12,950
Demand Deposits	19,007,075
Corporate Bonds	6,664,494
Asset Backed Securities	4,315,369
Mortgage Bonds	14,283,494
U.S. Government Agency Securities	5,148,394
U.S. Treasury Bonds and Notes	2,148,864
Mutual Funds - Bond Funds	392,324
Mutual Funds - Income Funds	43,676
Local Government Investment Pool	<u>7,819,257</u>
Total	<u>\$ 59,835,897</u>
Reconciliation to the financial statements	
Per statement of net position	
Unrestricted cash and investments	\$ 53,974,605
Restricted cash and investments	1,285,847
Per statement of fiduciary net position	
Custodial Funds	<u>4,575,445</u>
Total Cash and Investments	<u>\$ 59,835,897</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 has received a Collateralized Deposit Confirmation from its bank in the amount of \$59,835,897 to collateralize deposit accounts held at the bank.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation method for recurring fair value measurements of investments is the market approach. The County's investments are categorized as follows as of December 31, 2020:

	Fair Value	Level 1	Level 2	Level 3
Corporate Bonds	\$ 6,664,494	\$ -	\$ 6,664,494	\$ -
Asset Backed Securities	4,315,369	-	4,315,369	-
Mortgage Bonds	14,283,494	-	14,283,494	-
Municipal Securities	-	-	-	-
U.S. Government Agency Securities	5,148,394	-	5,148,394	-
U.S. Treasury Bonds and Notes	2,148,864	2,148,864	-	-
Mutual Funds - bond funds	392,324	392,324	-	-
Mutual Funds - income funds	43,676	43,676	-	-
Total	<u>\$ 32,996,614</u>	<u>\$ 2,584,864</u>	<u>\$ 30,411,750</u>	<u>\$ -</u>

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, 2020, all of the County's demand deposits were insured or fully collateralized.

As of December 31, 2020, the County's following investments were held by the counterparty in the County's name.

	Fair Value
Corporate Bonds	\$ 6,664,494
Asset Backed Securities	4,315,369
Mortgage Bonds	14,283,494
Municipal Securities	-
U.S. Government Agency Securities	5,148,394
U.S. Treasury Bonds and Notes	2,148,864
Mutual Funds - bond funds	392,324
Mutual Funds - income funds	43,676
Total	<u>\$ 32,996,614</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (continued)

Custodial Credit Risk (continued)

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:

	Fair Value	Less than 1 year	1 - 2 years	2 - 3 years	3 - 5 years
Corporate Bonds	\$ 6,664,494	\$ 1,716,902	\$ 1,197,946	\$ 731,130	\$ 3,018,516
Asset Backed Securities	4,315,369	-	23,435	-	4,291,934
Mortgage Bonds	14,283,494	-	-	-	14,283,494
Municipal Securities	-	-	-	-	-
U.S. Government Agency Securities	5,148,394	1,504,523	-	2,887,562	756,309
U.S. Treasury Bonds and Notes	2,148,864	701,401	714,770	732,694	-
Mutual Funds - Bond Funds	392,324	-	-	-	392,324
Mutual Funds - Income Funds	43,676	-	-	-	43,676
	\$ 32,996,614	\$ 3,922,826	\$ 1,936,151	\$ 4,351,385	\$ 22,786,252

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, 2020, the County's investments were rated by Moody's Investors Service as follows:

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**A. Cash and Investments (continued)**

	<u>Fair Value</u>	<u>Average Moody's Rating</u>
Corporate Bonds	\$ 456,790	Aa1
Corporate Bonds	2,809,888	Aa2
Corporate Bonds	1,982,994	Aa3
Corporate Bonds	880,349	A1
Corporate Bonds	432,864	A2
Corporate Bonds	101,609	Aaa
Asset Backed Securities	4,315,369	Aaa
Mortgage Bonds	14,283,494	Aaa
U.S. Government Agency Securities	5,148,394	Aaa
U.S. Treasury Bonds and Notes	2,148,864	Aaa
Mutual Funds - Bond Funds	392,324	Not Rated
Mutual Funds - Income Funds	43,676	Not Rated
Local Government Investment Pool	7,819,256	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:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Home Loan	Mortgage Bonds	17.8%
Federal National Mortgage Association	Mortgage Bonds and U.S. Government Agency Securities	19.4%

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

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, 2020, delinquent property taxes for governmental funds by year levied consists of the following:

	<u>Total</u>	<u>County Levied</u>	<u>County Purchased</u>
Tax certificates			
2019	\$ 4,470,101	\$ 567,291	\$ 3,902,810
2018	2,852,921	337,921	2,515,000
2017	2,048,670	242,659	1,806,011
2016	1,523,388	180,441	1,342,947
2015	1,281,902	131,944	1,149,958
2014	1,086,766	123,596	963,170
2013	955,232	110,465	844,767
2012 and prior	2,018,162	255,811	1,762,351
Tax deeds	<u>777,731</u>	<u>35,393</u>	<u>742,338</u>
Total Delinquent Property Taxes Receivable	17,014,873	1,985,521	15,029,352
Less Allowance	<u>(509,869)</u>	<u>(200,131)</u>	<u>(309,738)</u>
Net Delinquent Property Taxes Receivable	<u>\$ 16,505,004</u>	<u>\$ 1,785,390</u>	<u>\$ 14,719,614</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

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 was due October 1, 2018. The note was paid in full in May 2019. 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. The outstanding balance at December 31, 2020 is \$125,000.

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. The loan was paid in full in 2020.

Loan to Emerson Electric Company (dba InSinkErator)

In 2017, the County agreed to loan Emerson Electric Company \$4,650,000 to assist in the construction of its new headquarters in Mt Pleasant. The loan was disbursed in two phases (1) \$4,000,000 in year 1 of construction and (2) \$650,000 upon receipt of an occupancy permit and documentation of \$18 million in capital expenditures. The loan is a forgivable loan upon achieving mutually agreed upon benchmarks at the end of the defined term. A balance of \$2,303,118 was forgiven during 2020 and the County has established an allowance for uncollectible equal to the remaining balance of the loan.

Loan to Wood Road Property LLC

In September 2017, the County sold Ridgewood Care Center – the County nursing home for \$10,000,000. The County received \$9,000,000 in cash and accepted a \$1,000,000 note. The note is for 5-year term at 4% interest and is due September 1, 2022.

Other Loans

During 2020, the County disbursed some other loans in the amount of \$391,651, out of which \$342,249 were outstanding as of December 31, 2020. Interest rates range from 0% to 2%. Repayments are due 2020 through 2025.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

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	\$ -	\$ 57,470,015	\$ 57,470,015
Delinquent property taxes receivable	1,985,521	-	1,985,521
Delinquent property taxes interest receivable	10,862,110	-	10,862,110
Revenues received for subsequent year	-	7,370,637	7,370,637
Current year receivables collected subsequent to recognition period	<u>25,881</u>	<u>-</u>	<u>25,881</u>
 Total unavailable/unearned revenue for governmental funds	 <u>\$ 12,873,512</u>	 <u>\$ 64,840,652</u>	 <u>\$ 77,714,164</u>
 Unearned revenue included in liabilities		\$ 45,796	
Unearned revenue included in deferred inflows		<u>64,794,856</u>	
Total unearned revenue for governmental funds		<u>\$ 64,840,652</u>	

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

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 \$520,153 at December 31, 2020.

Lawcon Account

This account is used to report resources set aside for future recreational land acquisitions. The balance of this account is \$324,659 at December 31, 2020.

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 \$441,035 at December 31, 2020.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits. The County reported a net pension asset of 10,132,051 at December 31, 2020.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

Capital asset activity for the year ended December 31, 2020 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	\$ 274,808	\$ -	\$ 22,087,263
Construction in progress	5,208,317	5,633,760	(4,916,257)	5,925,820
Total capital assets, not being depreciated	<u>27,020,772</u>	<u>5,908,568</u>	<u>(4,916,257)</u>	<u>28,013,082</u>
Capital assets, being depreciated:				
Buildings	71,057,087	2,487,269	(37,632)	73,506,724
Improvements other than buildings	21,906,793	24,575	-	21,931,368
Machinery and equipment	36,486,425	2,745,637	(978,764)	38,253,298
Infrastructure	58,457,675	1,976,713	-	60,434,388
Total capital assets, being depreciated	<u>187,907,980</u>	<u>7,234,195</u>	<u>(1,016,396)</u>	<u>194,125,779</u>
Less accumulated depreciation for:				
Buildings	(36,688,800)	(1,576,629)	36,732	(38,228,697)
Improvements other than buildings	(11,310,995)	(898,423)	-	(12,209,418)
Machinery and equipment	(28,031,376)	(1,596,400)	883,037	(28,744,740)
Infrastructure	(26,101,164)	(2,283,423)	-	(28,384,586)
Total accumulated depreciation	<u>(102,132,335)</u>	<u>(6,354,875)</u>	<u>919,769</u>	<u>(107,567,442)</u>
Total capital assets being depreciated, net	<u>85,775,645</u>	<u>879,320</u>	<u>(96,627)</u>	<u>86,558,337</u>
Total capital assets, net	<u>\$ 112,796,416</u>	<u>\$ 6,787,888</u>	<u>\$ (5,012,884)</u>	<u>\$ 114,571,420</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**D. Capital Assets (continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,131,761	\$ -	\$ -	\$ 1,131,761
Construction in progress	894,628	3,982,403	-	4,877,031
Total capital assets, not being depreciated	<u>2,026,389</u>	<u>3,982,403</u>	<u>-</u>	<u>6,008,792</u>
Capital assets, being depreciated:				
Buildings	8,639,468	116,321	-	8,755,789
Improvements other than buildings	9,917,182	52,119	-	9,969,301
Machinery and equipment	297,945	-	-	297,945
Total capital assets, being depreciated	<u>18,854,595</u>	<u>168,440</u>	<u>-</u>	<u>19,023,035</u>
Less accumulated depreciation for:				
Buildings	(1,869,424)	(237,234)	-	(2,106,658)
Improvements other than buildings	(4,083,101)	(403,236)	-	(4,486,337)
Machinery and equipment	(209,126)	(19,318)	-	(228,444)
Total accumulated depreciation	<u>(6,161,651)</u>	<u>(659,788)</u>	<u>-</u>	<u>(6,821,439)</u>
Total capital assets being depreciated, net	<u>12,692,944</u>	<u>(491,348)</u>	<u>-</u>	<u>12,201,596</u>
Total capital assets, net	<u>\$ 14,719,333</u>	<u>\$ 3,491,054</u>	<u>\$ -</u>	<u>\$ 18,210,388</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General government	\$	612,936
Public safety		1,520,852
Health and social services		475,140
Education and recreation		877,173
Highways and streets		2,851,030
Development		<u>17,744</u>

Total depreciation expenses - governmental activities

\$ 6,354,875

Business-type activities:

Behavioural Health Services	\$	4,935
Pritchard Park		295,970
Reefpoint Marina		172,117
Golf Courses		<u>186,766</u>

Total depreciation expenses - business-type activities

\$ 659,788

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2020 is as follows:

	Cash Held By General Fund For Other Funds
General Fund	\$ (14,318,522)
Human Services Fund	113,555
Debt Service Fund	9,163,757
Nonmajor Governmental Fund	
Special Revenue Funds	
County Road Maintenance Fund	4,099,054
County handicapped Education Fund	842,977
County Bridge Aids Fund	102,887
Capital Project Fund	889,102
Permanent Fund	55,645
Enterprise Funds	
Reefpoint Marina	(61,042)
Behaviorial Health/Services	(2,481,812)
Pritchard Park	(666,489)
Nonmajor Enterprise Fund	
Golf Courses	289,839
Internal Services Fund	
Billable	(1,916,196)
Fringe Benefits	498,821
Fleet	3,388,424
Total	<u>\$ -</u>
Total Interfund Cash Advance	
Receivables/Payable (Net)	\$ (19,444,061)
Elimination of Governmental Balances	
Due to/from General Fund	15,266,977
Elimination of Internal Service Funds Balances	
Due to/from General Fund	<u>1,257,580</u>
Internal Balances - Government-Wide	
Financial Statements	<u>\$ (2,919,504)</u>

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

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

December 31, 2020

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	\$ 36,660
	Behavioral Health Services	163,750
		<u>200,410</u>
Debt Service	Capital Projects	51,306
		<u>51,306</u>
Human Services Fund	General Fund	4,549,589
		<u>4,549,589</u>
Pritchard	Capital Project	150,000
	General Fund	60,000
		<u>210,000</u>
Behavioral Health Services	General Fund	125,000
	Human Services Fund	199,707
		<u>324,707</u>
Nonmajor Governmental Funds		
Capital Projects Fund	General Fund	115,757
Capital Projects Fund	County Road Maintenance Fund	1,648,000
County Road Maintenance	Capital Projects	1,139,819
Capital Projects Fund	Fleet Internal Service Fund	587,000
County Road Maintenance	General Fund	1,496,137
		<u>4,986,713</u>
Internal Service Funds		
Fleet Internal Service	Debt Service Fund	13,275
Fleet Internal Service	Capital Projects Fund	1,301,500
Fleet Internal Service	Billable Internal Service	24,500
		<u>1,339,275</u>
Total transfers from other funds		11,661,999
Less fund eliminations		(9,061,767)
Less government-wide eliminations		(2,971,189)
Total Interfund Transfers - Government-Wide Statement of Net Position		<u>\$ (370,957)</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

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, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
General obligation debt:					
Notes payable	\$ 20,365,000	\$ -	\$ 5,485,000	\$ 14,880,000	\$ 5,150,000
Bonds payable	148,630,000	6,845,000	6,875,000	148,600,000	6,795,000
Total general obligation debt	168,995,000	6,845,000	12,360,000	163,480,000	11,945,000
Bond premium (discount)	1,544,412	175,403	238,983	1,480,832	-
Net general obligation debt	170,539,412	7,020,403	12,598,983	164,960,832	11,945,000
Compensated absences	4,456,975	4,036,168	3,421,620	5,071,523	4,039,388
Net OPEB liability	204,538,965	28,823,989	80,327,768	153,035,186	-
Net pension liability	10,579,106	-	10,579,106	-	-
Claims and judgments	4,936,664	2,583,597	1,629,470	5,890,791	-
Governmental activity Long-term liabilities	<u>\$ 395,051,122</u>	<u>\$ 42,464,157</u>	<u>\$ 108,556,947</u>	<u>\$ 328,958,332</u>	<u>\$ 15,984,388</u>
Business type activities:					
General obligation debt:					
Bonds payable	\$ 3,400,000	\$ -	\$ 245,000	\$ 3,155,000	\$ 250,000
Bond premium (discount)	7,470	-	655	6,815	-
Net general obligation debt	3,407,470	-	245,655	3,161,815	250,000
Net pension liability	620,984	-	620,984	-	-
Business -type activity Long-term liabilities	<u>\$ 4,028,454</u>	<u>\$ -</u>	<u>\$ 866,639</u>	<u>\$ 3,161,815</u>	<u>\$ 250,000</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

F. Long-term Debt (continued)

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

Year Ending December 31,	Governmental Activities		Business-type activities	
	Principal	Interest	Principal	Interest
2021	\$ 11,945,000	\$ 4,464,699	\$ 250,000	\$ 77,288
2022	12,095,000	4,118,910	255,000	72,238
2023	11,090,000	3,825,534	265,000	66,706
2024	10,265,000	3,557,522	270,000	60,688
2025	9,455,000	3,311,055	275,000	54,213
2026-2030	41,300,000	13,284,970	1,510,000	157,788
2031-2035	39,135,000	7,855,474	330,000	4,950
2036-2039	28,195,000	2,367,201	-	-
Total	\$ 163,480,000	\$ 42,785,364	\$ 3,155,000	\$ 493,869

The detail of the general obligation debt is as follows:

	Date of issue	Final maturity	Interest rates	Original Amount	Balance 12/31/20
General Obligation Notes					
Series 2012	4/17/2012	6/1/2021	1.0%-2.1%	\$ 5,000,000	\$ 765,000
Series 2013	3/19/2013	3/1/2023	2.0%-3.0%	6,000,000	2,825,000
Series 2014	4/15/2014	3/1/2024	2.0%-3.0%	5,110,000	3,580,000
Series 2015A	6/15/2015	3/1/2025	2.0%-2.25%	5,535,000	3,435,000
Taxable General Obligation Notes					
Series 2012	4/17/2012	3/1/2022	0.45%-3.00%	10,200,000	5,400,000
Series 2013	3/19/2013	3/1/2023	0.50%-2.59%	1,020,000	325,000
Series 2014	4/15/2014	3/1/2024	0.70%-3.52%	1,025,000	440,000
Series 2016B	6/1/2016	3/1/2022	2.0%	1,030,000	695,000
Series 2018B	3/1/2019	12/1/2022	2.75%-2.95%	675,000	570,000
General Obligation Bonds					
Series 2013 Refunding Bonds	3/19/2013	3/1/2026	2.0%-4.0%	14,880,000	7,655,000
Series 2016	6/1/2016	3/1/2031	2.00%-2.25%	4,980,000	3,210,000
Series 2017A GO Corp purpose Bonds	6/13/2017	6/1/2032	2.00%-3.00%	5,630,000	3,155,000
Series 2017B Taxable GO corp purp bonds	6/13/2017	6/1/2032	2.75%-3.30%	7,035,000	7,035,000
Series 2018A Taxable GO corp purp bonds	9/18/2018	3/1/2033	2.00%-3.25%	6,050,000	6,050,000
Series 2019C Gen Ob Highway Bonds	12/19/2019	3/1/2039	2.00%-3.00%	4,620,000	4,620,000
Series 2019B - Tax Gen Ob Refunding Foxcon	11/12/2019	9/1/2039	1.851%-3.378%	110,000,000	105,080,000
Series 2019A - Gen OB Corp Purp Bonds	9/12/2019	3/1/2034	2.00%-3.00%	4,950,000	4,950,000
Series 2020A - Gen Ob Corporate Purpose	5/20/2020	3/1/2035	2.00%-3.00%	6,845,000	6,845,000
Total General Obligation debt					166,635,000
Less amount applicable to business-type activities					(3,155,000)
Governmental activities General Obligation debt					\$ 163,480,000

Estimated payments of compensated absences are not included in the debt service requirement schedules. The claims and judgement, compensated absences and total OPEB liabilities will be liquidated primarily by the general fund.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

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, 2020, the County's debt margin and legal debt limit is calculated as follows:

Equalized Value of Real and Personal Property	\$ 17,999,659,200	
		5%
Debt Limit, 5% of Equalized Valuation		<u>899,982,960</u>
Amount of Debt Applicable to Debt Limitation:		
General Obligation Debt	\$ 166,635,000	
Less Debt Service Funds	<u>(2,359,486)</u>	
Total Amount of Debt Applicable to Debt Margin		<u>164,275,514</u>
Legal Debt Margin (Debt Capacity)		<u>\$ 735,707,446</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Net Investment in Capital Assets/Fund Balances

Net Investment in Capital Assets

The calculation of net investment in capital assets as of December 31, 2020 is as follows:

Governmental Activities

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 114,571,420
Less: outstanding long term debt (net of debt premiums, discounts, and loss on refunding)	(164,960,832)
Plus: noncapital related long term debt	113,862,345
Plus: unspent bond proceeds	<u>3,178,117</u>
Total net investment in capital assets	<u>\$ 66,651,050</u>

Business-type Activities

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 18,210,388
Less: outstanding long term debt (net of debt premiums and discounts)	<u>(3,161,815)</u>
Total net investment in capital assets	<u>\$ 15,048,573</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Net Investment in Capital Assets/Fund Balances (continued)

Fund Balances

The details of the fund balances as of December 31, 2020 are as follows:

Nonspendable

Major Funds

General Fund

Delinquent property taxes	\$ 14,519,483
Prepayments and inventories	2,219,956
Noncurrent receivables	125,000
	<u>16,864,439</u>

Special Revenue Fund - Human Services Fund

Prepayments and inventories	<u>4,412</u>
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Nonmajor Fund

Special Revenue Fund - Permanent fund endowments	<u>264,246</u>
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Total nonspendable fund balance	<u>17,133,097</u>
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Restricted

Major Fund - General Fund - Recreational land acquisition	324,658
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Debt Service Fund - Debt service	2,359,486
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Nonmajor Funds

Special Revenue Fund - County Road Maintenance	2,080,867
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Special Revenue Fund - Capital Projects	1,097,250
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Special Revenue Fund - Permanent fund	<u>232,434</u>
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Total restricted fund balance	<u>6,094,695</u>
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Committed

Major Funds

General Fund - Nonlapsing and encumbrances	20,577,661
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Human Services Fund - Nonlapsing and encumbrances	272,096
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Nonmajor Funds

Special Revenue Fund - County Road Maintenance	1,564,641
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Special Revenue Fund - County Handicapped Board	842,977
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Special Revenue Fund - County Bridge Aids	86,887
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Capital Projects Fund - Capital Projects	<u>1,104,570</u>
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Total committed fund balance	<u>24,448,832</u>
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County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Net Investment in Capital Assets/Fund Balances (continued)

Fund Balances (continued)

Assigned

Major Funds	
Human Services Fund - Nonlapsing and encumbrances	\$ 3,155,869
Total assigned fund balance	<u>3,155,869</u>

Unassigned

Major Fund - General Fund	<u>13,013,457</u>
Total fund balance	<u><u>\$ 63,845,950</u></u>

H. Restatement of Net Position

Fiduciary funds' net position has been restated for the implementation of GASB Statement 84 – *Fiduciary Activities*.

The details of the restatements are as follows:

	<u>Fiduciary Funds</u>
Net Position - December 31, 2019 (as reported)	\$ -
Add: Adjustments related to GASB 84	<u>4,216,639</u>
Net Position – December 31, 2019 (as restated)	<u><u>\$ 4,216,639</u></u>

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, 2020. 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.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

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.

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>2020</u>	<u>2019</u>
Unpaid claims - beginning	\$ 4,936,664	\$ 2,238,828
Incurred claims	2,583,597	3,710,992
Claims paid	(1,629,470)	(1,013,156)
Unpaid claims - ending	<u>\$ 5,890,791</u>	<u>\$ 4,936,664</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

C. Risk Management (continued)

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:

	2020	2019
Unpaid claims - beginning	\$ 1,765,558	\$ 2,034,693
Incurred claims	10,976,697	11,501,254
Claims paid	(11,080,222)	(11,770,389)
Unpaid claims - ending	<u>\$ 1,662,033</u>	<u>\$ 1,765,558</u>

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans

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.

EFT issues a standalone Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

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>
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

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. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. 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 \$3,319,495 in contributions from the County.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

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

At December 31, 2020, the County reported an asset of \$10,132,051 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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, 2020, the County's proportion was 0.31422510% which was a decrease of 0.00058876% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the County recognized pension expense of \$3,314,170.

At December 31, 2020, 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>	<u>Deferred Inflows of Resources</u>
Summary of deferred outflows and inflows		
Differences between projected and actual experiences	\$ 19,232,950	\$ 9,624,804
Changes of actuarial assumptions	789,558	-
Net differences between projected and actual investment earnings on pension plan investment	-	20,713,516
Changes in proportion and differences between employer contributions and proportionate share of contributions	63,738	12,841
Employer contributions subsequent to the measurement date	3,847,191	-
Totals	<u>\$ 23,933,437</u>	<u>\$ 30,351,161</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

\$3,847,191 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 liability in the year ended December 31, 2021. 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 End December 31st	
2021	\$ (3,049,667)
2022	(2,269,972)
2023	377,423
2024	(5,322,699)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 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 geometric real rates of return for each major asset class are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.0%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Single discount rate. A single discount rate of 7.00% 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 7.00% and a long term bond rate of 2.75%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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.

Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
County's proportionate share of the net pension liability (asset)	\$26,091,843	\$(10,132,051)	\$(37,213,579)

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://etf.wi.gov/publications/cafr.htm>.

At December 31, 2020, the County reported a payable to the pension plan which represents contractually required contributions outstanding as of year-end.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits

1. General Information About the OPEB Plan

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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Eligibility and Benefits Provided

County employees are eligible for retiree health benefits provided they:

1. Are enrolled in the County's health insurance at the time of retirement
2. Meet the age and other requirements for retirement under Wisconsin Retirement System
3. Have at least 15 years of service with the County for those retiring on or after January 1, 2013
4. Make the necessary premium contributions as specified by the County

Certain employees are eligible to receive lifetime retiree health benefits depending upon hire date. Employees hired after the following dates are eligible to receive retiree health benefits until they become Medicare eligible.

<u>Employee Group</u>	<u>Hire Date Cut-Off</u>
Non-Represented	September 1, 1998
Deputies and Command Staff	June 1, 1998
Teamsters	September 1, 2000
IAMAW-HSD	March 1, 2000
IAMAW-Courthouse	January 1, 2001
Attorneys Association	January 1, 1999

The County provides fully-paid life insurance benefits that vary from \$3,000 to \$5,000 for retirees who retired prior to January 1, 2012. Life insurance benefits are no longer available to all employee groups except for Deputies and Command Staff who are still eligible for a fully-paid \$5,000 life insurance benefit.

Eligible employees who are required to retire due to disability are eligible for lifetime coverage and are required to contribute 15% of the premium. Retiree contributions for general employees who retired prior to January 1, 2013 vary from 5% to 50%. Retiree contributions for general employees hired prior to January 1, 2012 and retire on or after January 1, 2013 vary from 15% to 100%. Retiree contributions for general employees hired on or after January 1, 2012 and retire on or after January 1, 2013 is 100%. Retiree contributions for Deputies and Command Staff vary from 5% to 20%.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits

1. General Information About the OPEB Plan

Employees Covered by the Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

Active plan members	830
Retired plan members	977
	<u>1,807</u>

2. Total OPEB Liability

The County's total OPEB liability of \$153,035,186 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2019 rolled forward to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Annual inflation	3.00%
Discount rate	2.12%
Healthcare cost trend rates	7.5% for first year, then decreasing 0.5% per year to 4.5% and level thereafter
Payroll growth	General wage inflation of 3.00% plus merit/productivity increases ranging from 3.50% to 0.40% for 0 years to 30 plus years, respectively
Cost method	Entry age normal level % of salary
Mortality	RPH-2019 Total Dataset Mortality Table fully generational using Scale MP-2019

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

3. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/19	<u>\$ 204,538,965</u>
Changes for the year:	
Service cost	3,230,644
Interest	6,639,558
Changes in benefit terms	(49,545,136)
Changes in assumptions	18,953,787
Differences between expected and actual experience	(22,511,911)
Benefit payments	<u>(8,270,721)</u>
Net changes	<u>(51,503,779)</u>
Balance at 12/31/20	<u><u>\$ 153,035,186</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1% Decrease (1.12%)	Current (2.12%)	1% Increase (3.12%)
Total OPEB Liability	<u>\$173,454,229</u>	<u>\$153,035,186</u>	<u>\$136,199,787</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50% decreasing 0.5% annually to 3.5%) or 1-percentage-point higher (8.5% decreasing by 0.5% annually to 5.5%) than the current discount rate:

	1% Decrease (6.5% decreasing 0.5% annually to 3.5%)	Current (7.5% decreasing 0.5% annually to 4.5%)	1% Increase (8.5% decreasing 0.5% annually to 5.5%)
Total OPEB Liability	<u>\$133,899,390</u>	<u>\$153,035,186</u>	<u>\$176,375,062</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2020

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefits (continued)

4. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources to OPEB

For the year ended December 31, 2020, the County recognized OPEB expense of \$(42,869,152). At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Summary of deferred outflows and inflows		
Differences between projected and actual experiences	\$ 4,121,390	\$ 20,820,350
Changes of actuarial assumptions	<u>24,149,480</u>	<u>3,324,263</u>
Totals	<u>\$ 28,270,870</u>	<u>\$ 24,144,613</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year End December 31st</u>	
2021	\$ (292,788)
2022	5,842,294
2023	(711,625)
2024	(711,624)

IV. OTHER INFORMATION (CONTINUED)

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

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

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

G. Economic Development

The County issued \$79,205,000 Taxable Bond Anticipation Notes, Series 2017, dated December 20, 2017 (the “2017 BANs”) and \$68,000,000 Taxable Bond Anticipation Notes, Series 2018, dated May 31, 2018 (the “2018 BANs”) to finance the acquisition of certain land in Tax Incremental District No. 5 (“TID No. 5”) located in the Village of Mount Pleasant, Wisconsin (the “Village”) in connection with the TID No. 5 Project (as defined below). The 2017 BANs and 2018 BANs were issued by the County as part of regional economic development projects being undertaken in cooperation with the Village, which include land acquisition, public infrastructure improvements, and related projects to implement a high-tech manufacturing and technology ecosystem in the Village and the County (collectively, the “TID No. 5 Project”). The TID No. 5 Project is being undertaken, in part, to support and incentivize the development of a fabrication facility (the “Facility”) in TID No. 5 by SIO International Wisconsin, Inc., FEWI Development Corporation, and AFE, Inc. (collectively and together with affiliates, “Foxconn”). The Facility to be constructed is estimated to require \$10 billion of private investment, and approximately \$3 billion of refundable tax credit incentives and sales tax exemptions from the State of Wisconsin. The TID No. 5 Project’s improvements, particularly related utility improvements, will also benefit areas throughout the Village and County. The County issued its \$110,000,000 Taxable General Obligation Refunding Bonds, Series 2019B, dated November 12, 2019 (the “2019B Bonds”) to refund the 2017 BANs and 2018 BANs. The Village will reimburse the County for the debt service on the 2019B Bonds through the collection of special assessments and tax increment revenue.

H. Subsequent Events

Issuance of Debt

The County issued \$3,050,000 General Obligation Promissory Notes in February of 2021 for public purposes, including paying the cost of the County’s share of designing and constructing a facility that houses both a secured residential care center for children and youth and a juvenile detention facility. The Notes mature on March 1, 2030. Interest rates range from 2%-4% over the repayment schedule.

The County issued \$5,200,000 General Obligation Corporate Purpose Bonds in May of 2021 for public purposes of providing for the construction, improvement and maintenance of highways and bridges and financing County building and facilities projects and other projects included in the County’s 2021 Capital Improvement Plan. The Bonds mature on March 1, 2036. Interest rates range from 2%-4% over the repayment schedule.

The County issued \$4,795,000 General Obligation Corporate Purpose Bonds in May of 2021 for public purposes of financing park and recreational facilities projects and other projects included in the County’s 2021 Capital Improvement Plan. The Bonds mature on March 1, 2036. Interest rates range from 2%-4% over the repayment schedule.

H. Subsequent Events (continued)

Relief through the American Rescue Plan Act

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. County's estimated award is \$38,131,110, which will be used to combat the negative effects of the public health emergency in the local economy. The County received 50% of the funds on May 20, 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

County of Racine

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 47,560,560	\$ 47,211,261	\$ 47,211,261	\$ -
Intergovernmental	16,783,990	21,512,244	27,736,243	6,223,999
Fines and fees	8,988,575	9,299,479	9,290,994	(8,485)
Investment income	4,850,000	4,552,696	4,263,694	(289,002)
Miscellaneous revenues	<u>(338,800)</u>	<u>865,838</u>	<u>950,215</u>	<u>84,377</u>
Total revenues	<u>77,844,325</u>	<u>83,441,518</u>	<u>89,452,407</u>	<u>6,010,889</u>
Expenditures				
Current:				
General government	17,819,971	26,180,415	20,210,630	5,969,785
Public safety	44,957,782	47,528,981	45,604,675	1,924,306
Health and social services	5,157,896	9,771,614	6,191,657	3,579,957
Education and recreation	4,725,206	5,617,661	4,763,021	854,640
Conservation and development	1,636,817	1,802,679	1,997,640	(194,961)
Highway and streets	<u>739,129</u>	<u>783,694</u>	<u>1,038,791</u>	<u>(255,097)</u>
Total expenditures	<u>75,036,801</u>	<u>91,685,044</u>	<u>79,806,414</u>	<u>11,878,630</u>
Excess of revenues over expenditures	<u>2,807,524</u>	<u>(8,243,526)</u>	<u>9,645,993</u>	<u>17,889,519</u>
Other Financing Sources (Uses)				
Transfers in	129,000	200,410	200,410	-
Transfers out	(325,000)	(6,345,768)	(6,346,483)	(715)
Sale of capital assets	<u>-</u>	<u>1,060</u>	<u>3,128</u>	<u>2,068</u>
Total other financing sources (uses)	<u>(196,000)</u>	<u>(6,144,298)</u>	<u>(6,142,945)</u>	<u>1,353</u>
Net change in fund balance	2,611,524	(14,387,824)	3,503,048	17,890,872
Fund Balance, Beginning	<u>47,277,167</u>	<u>47,277,167</u>	<u>47,277,167</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 49,888,691</u>	<u>\$ 32,889,343</u>	<u>\$ 50,780,215</u>	<u>\$ 17,890,872</u>

See notes to required supplementary information

County of Racine

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Human Services Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 24,220,249	\$ 19,870,276	\$ 20,352,824	\$ 482,548
Fines and fees	2,106,306	1,910,070	1,808,585	(101,485)
Miscellaneous	<u>(57,495)</u>	<u>493,174</u>	<u>469,597</u>	<u>(23,577)</u>
Total revenues	<u>26,269,060</u>	<u>22,273,520</u>	<u>22,631,006</u>	<u>357,486</u>
Expenditures				
Current:				
Health and social services	<u>31,374,169</u>	<u>27,769,601</u>	<u>26,200,209</u>	<u>1,569,392</u>
Total expenditures	<u>31,374,169</u>	<u>27,769,601</u>	<u>26,200,209</u>	<u>1,569,392</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,105,109)</u>	<u>(5,496,081)</u>	<u>(3,569,203)</u>	<u>1,926,878</u>
Other Financing Sources (Uses)				
Transfers in	4,549,589	4,549,589	4,549,589	-
Transfers out	<u>-</u>	<u>(36,660)</u>	<u>(236,367)</u>	<u>(199,707)</u>
Total other financing sources (uses)	<u>4,549,589</u>	<u>4,512,929</u>	<u>4,313,222</u>	<u>(199,707)</u>
Net change in fund balance	(555,520)	(983,152)	744,019	1,727,171
Fund Balance, Beginning	<u>2,688,358</u>	<u>2,688,358</u>	<u>2,688,358</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,132,838</u></u>	<u><u>\$ 1,705,206</u></u>	<u><u>\$ 3,432,377</u></u>	<u><u>\$ 1,727,171</u></u>

See notes to required supplementary information

County of Racine

Required Supplementary Information
Schedule of Changes in Total OPEB Liability
Year Ended December 31, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability:			
Service cost	\$ 2,738,854	\$ 2,612,329	\$ 3,230,644
Interest	7,056,535	7,213,774	6,639,558
Changes in benefit terms	-	(369,407)	(49,545,136)
Changes in assumptions	(13,297,058)	8,242,782	(22,511,911)
Difference between expected and actual experience	(11,243,287)	17,972,900	18,953,787
Benefit payments	(7,672,898)	(7,996,888)	(8,270,721)
	<u>(22,417,854)</u>	<u>27,675,490</u>	<u>(51,503,779)</u>
Total OPEB Liability - Beginning	<u>199,281,329</u>	<u>176,863,475</u>	<u>204,538,965</u>
Total OPEB Liability - Ending	<u>\$ 176,863,475</u>	<u>\$ 204,538,965</u>	<u>\$ 153,035,186</u>

See notes to the required supplementary information

County of Racine

Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability (Asset) -
 Wisconsin Retirement System
 Year Ended December 31, 2020

<u>WRS Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/14	0.32576060%	\$ (7,999,372)	\$ 40,818,992	19.60%	102.74%
12/31/15	0.32687824%	5,311,708	42,828,022	12.40%	98.20%
12/31/16	0.32502229%	2,678,960	41,598,120	6.44%	99.12%
12/31/17	0.32298480%	(9,589,801)	41,002,825	23.39%	102.93%
12/31/18	0.31481386%	11,200,090	40,332,163	27.77%	96.45%
12/31/19	0.31422510%	(10,132,051)	43,221,424	23.44%	102.96%

Schedule of Employer Contributions - Wisconsin Retirement System
 Year Ended December 31, 2020

<u>County 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	\$ 3,101,022	\$ 3,101,022	\$ -	\$ 42,828,022	7.24%
12/31/16	3,058,711	3,058,711	-	41,598,120	7.35%
12/31/17	3,014,108	3,014,108	-	41,002,826	7.35%
12/31/18	3,174,373	3,174,373	-	40,332,164	7.87%
12/31/19	3,316,508	3,316,508	-	43,221,424	7.67%
12/31/20	3,847,191	3,847,191	-	47,684,394	8.07%

See notes to the required supplementary information

County of Racine

Notes to Required Supplementary Information
Year Ended December 31, 2020

Budgetary Information

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 changed the County's 2020 adopted budget for the following funds:

General Fund	\$16,648,243
Human Services Fund	\$(3,604,568)

Wisconsin Retirement System

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

The County is required to present the last ten 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. No significant change in assumptions were noted from the prior year.

OPEB Plan

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

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

Changes in benefit terms. The County's post-Medicare retirees on Plan 8 have been moved to a new fully-insured arrangement with Human effective January 1, 2021. This is recognized as a change in benefit terms.

Changes in assumptions. The discount rate is 2.12% as of December 31, 2020.

SUPPLEMENTARY INFORMATION

County of Racine

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	<u>Special Revenue Funds</u>			
	<u>County Road Maintenance</u>	<u>County Handicapped Education</u>	<u>County Bridge Aids</u>	<u>Capital Projects Fund</u>
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ 1,516,670
Receivables:				
Property taxes	-	525,599	-	-
Due from other governments	310,751	-	-	-
Accounts	85,121	-	-	68,067
Due from other funds	4,099,054	842,977	102,887	889,102
Restricted cash and investments	-	-	-	-
Total assets	<u>\$ 4,494,926</u>	<u>\$ 1,368,576</u>	<u>\$ 102,887</u>	<u>\$ 2,473,839</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	<u>\$ 849,137</u>	<u>\$ -</u>	<u>\$ 16,000</u>	<u>\$ 246,419</u>
Total liabilities	<u>849,137</u>	<u>-</u>	<u>16,000</u>	<u>246,419</u>
Deferred Inflows of Resources				
Unavailable revenues	281	-	-	25,600
Property taxes levied for future periods	<u>-</u>	<u>525,599</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>281</u>	<u>525,599</u>	<u>-</u>	<u>25,600</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	2,080,867	-	-	1,097,250
Committed	<u>1,564,641</u>	<u>842,977</u>	<u>86,887</u>	<u>1,104,570</u>
Total fund balances	<u>3,645,508</u>	<u>842,977</u>	<u>86,887</u>	<u>2,201,820</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,494,926</u>	<u>\$ 1,368,576</u>	<u>\$ 102,887</u>	<u>\$ 2,473,839</u>

<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 1,516,670
-	525,599
-	310,751
-	153,188
55,645	5,989,665
<u>441,035</u>	<u>441,035</u>
<u>\$ 496,680</u>	<u>\$ 8,936,908</u>

<u>\$ -</u>	<u>\$ 1,111,556</u>
<u>-</u>	<u>1,111,556</u>
-	25,881
<u>-</u>	<u>525,599</u>
<u>-</u>	<u>551,480</u>
264,246	264,246
232,434	3,410,551
<u>-</u>	<u>3,599,075</u>
<u>496,680</u>	<u>7,273,872</u>
<u>\$ 496,680</u>	<u>\$ 8,936,908</u>

County of Racine

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	<u>Special Revenue Funds</u>			
	<u>County Road Maintenance</u>	<u>County Handicapped Education</u>	<u>County Bridge Aids</u>	<u>Capital Projects Fund</u>
Revenues				
Taxes	\$ -	\$ 746,424	\$ -	\$ -
Intergovernmental	2,610,852	-	-	140,594
Investment income	-	-	-	6,795
Miscellaneous	<u>5</u>	<u>-</u>	<u>-</u>	<u>3,181</u>
Total revenues	<u>2,610,857</u>	<u>746,424</u>	<u>-</u>	<u>150,570</u>
Expenditures				
Current:				
Education and recreation	-	573,367	-	-
Highways and streets	4,513,828	-	-	-
Capital outlay	3,767,956	-	16,000	7,245,262
Debt service:				
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,086</u>
Total expenditures	<u>8,281,784</u>	<u>573,367</u>	<u>16,000</u>	<u>7,404,348</u>
Excess (deficiency) of revenues over expenditures	<u>(5,670,927)</u>	<u>173,057</u>	<u>(16,000)</u>	<u>(7,253,778)</u>
Other Financing Sources (Uses)				
Transfers in	2,635,956	-	-	2,350,757
Transfers out	(1,648,000)	-	-	(2,642,625)
Proceeds from sale of assets	-	-	-	26,188
Debt issued	-	-	-	6,845,000
Premium on debt issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,403</u>
Total other financing sources (uses)	<u>987,956</u>	<u>-</u>	<u>-</u>	<u>6,754,723</u>
Net change in fund balances	(4,682,971)	173,057	(16,000)	(499,055)
Fund Balances, Beginning	<u>8,328,479</u>	<u>669,920</u>	<u>102,887</u>	<u>2,700,875</u>
Fund Balances, Ending	<u>\$ 3,645,508</u>	<u>\$ 842,977</u>	<u>\$ 86,887</u>	<u>\$ 2,201,820</u>

<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 746,424
8,519	2,759,965
40,513	47,308
<u>-</u>	<u>3,186</u>
<u>49,032</u>	<u>3,556,883</u>
60	573,427
-	4,513,828
-	11,029,218
<u>-</u>	<u>159,086</u>
<u>60</u>	<u>16,275,559</u>
<u>48,972</u>	<u>(12,718,676)</u>
-	4,986,713
-	(4,290,625)
-	26,188
-	6,845,000
<u>-</u>	<u>175,403</u>
<u>-</u>	<u>7,742,679</u>
48,972	(4,975,997)
<u>447,708</u>	<u>12,249,869</u>
<u>\$ 496,680</u>	<u>\$ 7,273,872</u>

County of Racine

County Road Maintenance Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,186,707	\$ 2,889,132	\$ 2,610,852	\$ (278,280)
Miscellaneous	-	-	5	5
Total revenues	<u>3,186,707</u>	<u>2,889,132</u>	<u>2,610,857</u>	<u>(278,275)</u>
Expenditures				
Current:				
Highways and streets	4,407,844	3,979,307	4,513,828	(534,521)
Capital outlay	1,539,819	6,168,646	3,767,956	2,400,690
Total expenditures	<u>5,947,663</u>	<u>10,147,953</u>	<u>8,281,784</u>	<u>1,866,169</u>
Deficiency of revenues over expenditures	<u>(2,760,956)</u>	<u>(7,258,821)</u>	<u>(5,670,927)</u>	<u>1,587,894</u>
Other Financing Sources				
Transfers in	2,635,956	2,635,956	2,635,956	-
Transfers out	<u>(1,648,000)</u>	<u>(1,648,000)</u>	<u>(1,648,000)</u>	-
Total other financing sources (uses)	<u>987,956</u>	<u>987,956</u>	<u>987,956</u>	-
Net change in fund balances	<u><u>\$ (1,773,000)</u></u>	<u><u>\$ (6,270,865)</u></u>	<u>(4,682,971)</u>	<u><u>\$ 1,587,894</u></u>
Fund Balances, Beginning			<u>8,328,479</u>	
Fund Balances, Ending			<u><u>\$ 3,645,508</u></u>	

County of Racine

County Handicapped Education Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	<u>\$ 746,424</u>	<u>\$ 746,424</u>	<u>\$ 746,424</u>	<u>\$ -</u>
Expenditures				
Current:				
Education and recreation	<u>813,313</u>	<u>813,313</u>	<u>573,367</u>	<u>239,946</u>
Net change in fund balances	<u>\$ (66,889)</u>	<u>\$ (66,889)</u>	<u>173,057</u>	<u>\$ 239,946</u>
Fund Balances, Beginning			<u>669,920</u>	
Fund Balances, Ending			<u>\$ 842,977</u>	

County of Racine

County Bridge Aids Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Highways and streets	-	102,888	16,000	86,888
Net change in fund balances	<u>\$ -</u>	<u>\$ (102,888)</u>	(16,000)	<u>\$ 86,888</u>
Fund Balances, Beginning			<u>102,887</u>	
Fund Balances, Ending			<u>\$ 86,887</u>	

County of Racine

Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,795,198	\$ 7,795,198	\$ 7,795,198	\$ -
Intergovernmental	951,212	939,821	939,821	-
Investment income	-	2,554	2,558	4
Miscellaneous	-	7,325,050	7,325,050	-
Total revenues	<u>8,746,410</u>	<u>16,062,623</u>	<u>16,062,627</u>	<u>4</u>
Expenditures				
Debt service:				
Principal retirement	7,427,603	12,347,603	12,347,603	-
Interest and fiscal charges	1,414,401	3,899,715	3,899,715	-
Total expenditures	<u>8,842,004</u>	<u>16,247,318</u>	<u>16,247,318</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(95,594)</u>	<u>(184,695)</u>	<u>(184,691)</u>	<u>4</u>
Other Financing Sources (Uses)				
Transfers in	-	51,306	51,306	-
Transfers out	(13,275)	(13,275)	(13,275)	-
Total other financing sources (uses)	<u>(13,275)</u>	<u>38,031</u>	<u>38,031</u>	<u>-</u>
Net change in fund balances	<u>\$ (108,869)</u>	<u>\$ (146,664)</u>	<u>(146,660)</u>	<u>\$ 4</u>
Fund Balances, Beginning			<u>2,506,146</u>	
Fund Balances, Ending			<u>\$ 2,359,486</u>	

County of Racine

Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 40,405,149	\$ 140,594	\$ (40,264,555)
Investment income	-	6,791	6,795	4
Miscellaneous	-	3,181	3,181	-
Total revenues	-	40,415,121	150,570	(40,264,551)
Expenditures				
Capital outlay	6,267,443	53,108,312	7,245,262	45,863,050
Debt service:				
Interest and fiscal charges	-	159,086	159,086	-
Total expenditures	6,267,443	53,267,398	7,404,348	45,863,050
Deficiency of revenues over expenditures	(6,267,443)	(12,852,277)	(7,253,778)	5,598,499
Other Financing Sources (Uses)				
Transfers in	2,235,000	2,480,126	2,350,757	(129,369)
Transfers out	(2,441,319)	(2,642,625)	(2,642,625)	-
Proceeds from the sale of capital assets	13,750	108,750	26,188	(82,562)
Issuance of general obligation debt	6,460,012	9,520,404	6,845,000	(2,675,404)
Net premium (discount) on issuance of debt	-	-	175,403	175,403
Total other financing sources (uses)	6,267,443	9,466,655	6,754,723	(2,711,932)
Net change in fund balances	\$ -	\$ (3,385,622)	(499,055)	\$ 2,886,567
Fund Balances, Beginning			2,700,875	
Fund Balances, Ending			<u>\$ 2,201,820</u>	

County of Racine

Combining Statement of Net Position
Internal Service Funds
December 31, 2020

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Total</u>
Assets				
Current assets:				
Cash and investments	\$ 1,000	\$ -	\$ -	\$ 1,000
Due from other governments	698,506	-	-	698,506
Due from other funds	-	498,821	3,388,424	3,887,245
Inventories	1,083,229	-	471,991	1,555,220
Prepaid items	<u>7,572</u>	<u>-</u>	<u>7,158</u>	<u>14,730</u>
Total current assets	<u>1,790,307</u>	<u>498,821</u>	<u>3,867,573</u>	<u>6,156,701</u>
Noncurrent assets:				
Restricted asset - net pension asset	692,632	74,285	-	766,917
Capital assets:				
Construction in progress	-	-	90,355	90,355
Buildings	-	-	7,194,800	7,194,800
Improvements other than buildings	-	-	1,935,226	1,935,226
Machinery and equipment	43,831	-	13,770,284	13,814,115
Less Accumulated depreciation	<u>(37,257)</u>	<u>-</u>	<u>(13,817,436)</u>	<u>(13,854,693)</u>
Total noncurrent assets	<u>699,206</u>	<u>74,285</u>	<u>9,173,229</u>	<u>9,946,720</u>
Total assets	<u>2,489,513</u>	<u>573,106</u>	<u>13,040,802</u>	<u>16,103,421</u>
Deferred Outflows of Resources				
Pension related amounts	<u>752,325</u>	<u>1,016,541</u>	<u>-</u>	<u>1,768,866</u>
Total deferred outflows of resources	<u>752,325</u>	<u>1,016,541</u>	<u>-</u>	<u>1,768,866</u>
Liabilities				
Current liabilities:				
Accounts payable	115,862	-	137,653	253,515
Accrued liabilities	46,598	380,279	-	426,877
Due to other funds	1,916,196	-	-	1,916,196
Grant and user fee advances	3,538	242,309	-	245,847
Current portion of general obligation debt	<u>-</u>	<u>-</u>	<u>12,742</u>	<u>12,742</u>
Total current liabilities	<u>2,082,194</u>	<u>622,588</u>	<u>150,395</u>	<u>2,855,177</u>
Noncurrent liabilities:				
General obligation debt payable	<u>-</u>	<u>-</u>	<u>13,029</u>	<u>13,029</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>13,029</u>	<u>13,029</u>
Total liabilities	<u>2,082,194</u>	<u>622,588</u>	<u>163,424</u>	<u>2,868,206</u>
Deferred Inflows of Resources				
Pension related amounts	927,580	1,403,540	-	2,331,120
Other	<u>-</u>	<u>-</u>	<u>26,374</u>	<u>26,374</u>
Total deferred inflows of resources	<u>927,580</u>	<u>1,403,540</u>	<u>26,374</u>	<u>2,357,494</u>
Net Position				
Net investment in capital assets	6,575	-	9,147,458	9,154,033
Pension	692,632	74,285	-	766,917
Unrestricted (deficit)	<u>(467,143)</u>	<u>(510,766)</u>	<u>3,703,546</u>	<u>2,725,637</u>
Total net position	<u>\$ 232,064</u>	<u>\$ (436,481)</u>	<u>\$ 12,851,004</u>	<u>\$ 12,646,587</u>

County of Racine

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2020

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Totals</u>
Operating Revenues				
Highway charges and fees	\$ 9,188,173	\$ 2,311,859	\$ 3,643,285	\$ 15,143,317
Other	<u>30,810</u>	<u>-</u>	<u>5,020</u>	<u>35,830</u>
Total operating revenues	<u>9,218,983</u>	<u>2,311,859</u>	<u>3,648,305</u>	<u>15,179,147</u>
Operating Expenses				
Highways and streets	9,223,759	2,480,307	3,016,912	14,720,978
Depreciation	<u>-</u>	<u>-</u>	<u>908,086</u>	<u>908,086</u>
Total operating expenses	<u>9,223,759</u>	<u>2,480,307</u>	<u>3,924,998</u>	<u>15,629,064</u>
Operating loss	<u>(4,776)</u>	<u>(168,448)</u>	<u>(276,693)</u>	<u>(449,917)</u>
Nonoperating Expenses				
Interest expense	-	-	(877)	(877)
Loss on disposal of capital assets	<u>-</u>	<u>-</u>	<u>(41,996)</u>	<u>(41,996)</u>
Total nonoperating expenses	<u>-</u>	<u>-</u>	<u>(42,873)</u>	<u>(42,873)</u>
Income (loss) before transfers	<u>(4,776)</u>	<u>(168,448)</u>	<u>(319,566)</u>	<u>(492,790)</u>
Transfers				
Transfers in	-	-	1,339,275	1,339,275
Transfers out	<u>(24,500)</u>	<u>-</u>	<u>(587,000)</u>	<u>(611,500)</u>
Total transfers	<u>(24,500)</u>	<u>-</u>	<u>752,275</u>	<u>727,775</u>
Change in net position	(29,276)	(168,448)	432,709	234,985
Net Position (Deficit), Beginning	<u>261,340</u>	<u>(268,033)</u>	<u>12,418,295</u>	<u>12,411,602</u>
Net Position (Deficit), Ending	<u>\$ 232,064</u>	<u>\$ (436,481)</u>	<u>\$ 12,851,004</u>	<u>\$ 12,646,587</u>

County of Racine

Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2020

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Total</u>
Cash Flows From Operating Activities				
Received from customers	\$ 5,087,817	\$ 931,126	\$ 1,680,264	\$ 7,699,207
Received from interfund services provided	4,493,320	1,540,218	1,353,784	7,387,322
Paid to suppliers for goods and services	(6,687,720)	(1,995,940)	(2,517,479)	(11,201,139)
Paid to employees for services	<u>(2,868,917)</u>	<u>(475,404)</u>	<u>(483,896)</u>	<u>(3,828,217)</u>
Net cash flows from operating activities	<u>24,500</u>	<u>-</u>	<u>32,673</u>	<u>57,173</u>
Cash Flows From Noncapital Financing Activities				
Transfers in	-	-	1,339,275	1,339,275
Transfers out	<u>(24,500)</u>	<u>-</u>	<u>(587,000)</u>	<u>(611,500)</u>
Net cash flows from noncapital financing activities	<u>(24,500)</u>	<u>-</u>	<u>752,275</u>	<u>727,775</u>
Cash Flows From Capital and Related Financing Activities				
Debt retired	-	-	(12,397)	(12,397)
Interest paid	-	-	(877)	(877)
Acquisition and construction of capital assets	<u>-</u>	<u>-</u>	<u>(771,674)</u>	<u>(771,674)</u>
Net cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>(784,948)</u>	<u>(784,948)</u>
Cash and Cash Equivalents, Beginning	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities				
Operating loss	\$ (4,776)	\$ (168,448)	\$ (276,693)	\$ (449,917)
Adjustments to reconcile operating loss to net cash flows from operating activities:				
Depreciation	-	-	908,086	908,086
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Other accounts receivable	42,303	-	106	42,409
Receivable from municipality	316,313	28,275	(614,363)	(269,775)
Materials and supplies	(309,379)	-	25,097	(284,282)
Prepayments	(7,174)	-	(2,233)	(9,407)
Accounts payable	76,632	-	(11,387)	65,245
Payable to municipality	(112,594)	-	-	(112,594)
Other current liabilities	12,288	(144)	-	12,144
Pension related deferrals and assets	7,349	9,107	4,060	20,516
Customer deposits	<u>3,538</u>	<u>131,210</u>	<u>-</u>	<u>134,748</u>
Net cash flows from operating activities	<u>\$ 24,500</u>	<u>\$ -</u>	<u>\$ 32,673</u>	<u>\$ 57,173</u>
Noncash Capital and Related Financing Activities				
None				

County of Racine

Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2020

	Health Service Rep Payee	Courts	Taxes	Total
Assets				
Cash and investments	\$ 161,011	\$ 4,414,434	\$ -	\$ 4,575,445
Delinquent property taxes	-	-	1,532,670	1,532,670
Other receivables	-	180,100	-	180,100
Total assets	<u>161,011</u>	<u>4,594,534</u>	<u>1,532,670</u>	<u>6,288,215</u>
Liabilities				
Accounts payable	31,564	-	-	31,564
Deposits	-	180,100	1,532,670	1,712,770
Total liabilities	<u>31,564</u>	<u>180,100</u>	<u>1,532,670</u>	<u>1,744,334</u>
Net Position				
Restricted	<u>\$ 129,447</u>	<u>\$ 4,414,434</u>	<u>\$ -</u>	<u>\$ 4,543,881</u>

County of Racine

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended December 31, 2020

	<u>Health Service Rep Payee</u>	<u>Courts</u>	<u>Taxes</u>	<u>Total</u>
Additions				
Taxes	\$ -	\$ -	\$ 30,984	\$ 30,984
Miscellaneous	<u>309,362</u>	<u>2,313,807</u>	<u>-</u>	<u>2,623,169</u>
Total additions	<u>309,362</u>	<u>2,313,807</u>	<u>30,984</u>	<u>2,654,153</u>
Deductions				
Distributions	<u>258,555</u>	<u>2,037,372</u>	<u>30,984</u>	<u>2,326,911</u>
Total deductions	<u>258,555</u>	<u>2,037,372</u>	<u>30,984</u>	<u>2,326,911</u>
Change in net position	50,807	276,435	-	327,242
Net Position, Beginning - as restated	<u>78,640</u>	<u>4,137,999</u>	<u>-</u>	<u>4,216,639</u>
Net Position, Ending	<u>\$ 129,447</u>	<u>\$ 4,414,434</u>	<u>\$ -</u>	<u>\$ 4,543,881</u>

STATISTICAL SECTION

COUNTY OF RACINE, WISCONSIN
TABLE 1 - NET POSITION BY COMPONENT
For the fiscal years ended December 31, 2011 through 2020

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 (b)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Governmental Activities</u>										
Net investment in capital assets	\$ 66,531,523	\$ 70,301,141	\$ 70,793,526	\$ 71,576,675	\$ 73,461,275	\$ 72,608,754	\$ 75,699,354	\$ 71,421,109	\$ 57,347,415	\$ 66,651,050
Restricted (a)	1,192,375	864,347	1,894,330	957,661	7,546,353	1,450,695	79,470,192	60,944,474	2,461,292	11,206,195
Unrestricted (deficit)	(19,530,314)	(30,922,432)	(29,577,819)	(27,242,637)	(16,162,176)	(14,244,416)	(227,113,750)	(298,377,865)	(243,482,695)	(205,513,527)
Total Governmental Activities Net position	<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>\$ 59,815,033</u>	<u>\$ (71,944,204)</u>	<u>\$ (166,012,282)</u>	<u>\$ (183,673,988)</u>	<u>\$ (127,656,282)</u>
<u>Business-type Activities</u>										
Net investment in capital assets	\$ 5,652,137	\$ 6,454,139	\$ 6,416,321	\$ 6,141,920	\$ 6,064,650	\$ 6,515,782	\$ 3,554,511	\$ 10,922,973	\$ 11,311,861	\$ 15,048,573
Restricted (a)	-	-	-	-	1,388,268	-	-	303,119	-	639,667
Unrestricted (deficit)	3,191,955	2,829,498	2,176,791	2,487,622	4,017,906	4,433,369	11,086,943	2,081,636	5,245,954	729,844
Total Business-type Activities Net Position	<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>\$ 10,949,151</u>	<u>\$ 14,641,454</u>	<u>\$ 13,307,728</u>	<u>\$ 16,557,815</u>	<u>\$ 16,418,084</u>
<u>Primary Government</u>										
Net investment in capital assets	\$ 72,183,660	\$ 76,755,280	\$ 77,209,847	\$ 77,718,595	\$ 79,525,925	\$ 79,124,536	\$ 79,253,865	\$ 82,344,082	\$ 66,753,201	\$ 79,793,548
Restricted (a)	1,192,375	864,347	1,894,330	957,661	8,934,621	1,450,695	79,470,192	61,247,593	2,461,292	11,845,862
Unrestricted (deficit)	(16,338,359)	(28,092,934)	(27,401,028)	(24,755,015)	(12,144,270)	(9,811,047)	(216,026,807)	(296,296,229)	(236,330,666)	(202,877,608)
Total Primary Government Net Position	<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>	<u>\$ 70,764,184</u>	<u>\$ (57,302,750)</u>	<u>\$ (152,704,554)</u>	<u>\$ (167,116,173)</u>	<u>\$ (111,238,198)</u>

Notes:

- (a) Change in 2015 is the result of the implementation of GASB Statement No. 68 and implementation of GASB Statement No. 71.
(b) GASB Statement No. 75 was implemented.

COUNTY OF RACINE, WISCONSIN
TABLE 2 - CHANGES IN NET POSITION
For the fiscal years ended December 31, 2011 through 2020
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses:										
Governmental activities:										
General government	\$ 18,794,913	\$ 21,188,097	\$ 13,569,972	\$ 12,976,425	\$ 11,456,557	\$ 18,377,521	\$ 12,630,557	\$ 14,511,152	\$ 20,300,126	\$ 11,682,696
Public safety	34,917,243	36,176,316	37,877,728	38,393,851	38,893,997	38,598,464	53,852,754	41,224,061	48,453,160	26,900,310
Health and social services	50,582,992	46,463,188	37,250,748	38,694,931	37,726,141	38,049,206	37,682,223	36,925,247	37,939,587	19,309,199
Education and recreation	6,271,197	5,841,238	5,581,326	5,855,624	5,709,148	5,808,509	5,607,830	6,142,042	4,871,021	4,960,785
Development	4,286,674	4,522,382	2,353,909	2,440,431	2,267,218	1,470,265	6,734,196	99,524,979	8,197,626	1,493,945
Highways and streets	6,845,619	6,270,486	5,221,320	5,477,378	4,930,298	8,669,253	6,392,210	5,988,191	8,459,204	21,917,914
Interest and fiscal charges	1,815,230	1,656,893	1,673,271	1,445,188	1,252,408	1,401,967	1,227,355	3,742,597	6,137,338	3,648,667
Total governmental activities expenses	<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>	<u>112,375,185</u>	<u>124,127,125</u>	<u>208,058,269</u>	<u>134,358,062</u>	<u>89,913,516</u>
Business-type activities:										
Healthcare Center	16,497,328	17,150,754	16,355,002	16,574,797	16,541,370	16,783,931	12,859,681	358,473	-	-
Reefpoint Marina	-	1,181,067	1,249,377	1,406,869	1,515,244	1,603,243	1,728,352	1,911,897	1,892,568	2,019,172
Behavioral Health Services	-	-	8,674,917	9,117,500	9,947,591	10,608,056	15,948,355	17,131,365	20,008,114	20,909,128
Pritchard Park	-	-	-	-	-	-	-	253,124	1,327,380	4,378,635
Golf Courses	236,165	262,551	287,433	307,278	245,428	207,159	219,694	363,916	248,103	266,115
Total Business-type activities expenses	<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>	<u>29,202,389</u>	<u>30,756,082</u>	<u>20,018,775</u>	<u>23,476,165</u>	<u>27,573,050</u>
Total expenses	<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>	<u>\$ 141,577,574</u>	<u>\$ 154,883,207</u>	<u>\$ 228,077,044</u>	<u>\$ 157,834,227</u>	<u>\$ 117,486,566</u>
Program Revenues:										
Governmental activities:										
Charges for services										
General government	\$ 4,689,931	\$ 4,747,056	\$ 4,573,756	\$ 4,396,263	\$ 4,456,234	\$ 4,551,088	\$ 4,559,549	\$ 4,674,757	\$ 5,402,042	\$ 5,441,693
Public safety	2,882,137	2,941,499	2,921,337	2,937,753	2,609,591	2,730,593	2,965,139	3,292,389	3,035,380	3,218,396
Health and social services	2,222,133	3,058,583	1,857,573	1,879,599	2,609,429	2,955,446	1,493,784	2,664,070	1,757,028	1,725,921
Education and recreation	244,946	259,031	266,987	272,202	294,905	357,310	374,359	376,197	534,937	582,699
Development	428,282	205,898	229,684	225,470	241,907	239,947	321,928	327,741	305,330	328,607
Highways and streets	-	-	-	-	-	-	-	53	-	72,456
Operating grants and contributions	45,995,983	43,786,043	36,635,567	37,989,509	37,528,198	36,311,183	34,862,866	36,478,601	43,435,124	54,803,188
Capital grants and contributions	494,122	1,088,365	1,636,688	1,034,054	1,342,028	180,000	2,210,000	4,290,000	-	3,441
Total governmental activities program revenues	<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>	<u>47,325,567</u>	<u>46,787,625</u>	<u>52,103,808</u>	<u>54,469,841</u>	<u>66,176,401</u>
Business-type activities:										
Charges for services										
Healthcare Center	17,102,754	16,153,936	15,148,338	15,819,653	15,713,085	16,059,689	10,166,822	-	-	-
Reefpoint Marina	-	1,431,574	1,286,692	1,447,015	1,648,292	1,704,959	1,744,044	1,828,318	1,951,440	1,961,708
Behavioral Health Services	-	-	8,982,852	9,143,200	9,914,986	9,920,277	16,383,120	17,414,474	19,068,816	20,642,927
Pritchard Park	-	-	-	-	-	-	-	88	1,536,378	58,339
Golf Courses	289,804	314,984	294,076	298,911	304,450	274,383	266,348	252,047	250,465	341,197
Operating grants and contributions	-	-	-	-	-	-	-	-	-	100,000
Capital grants and contributions	-	-	-	-	-	-	-	-	808,628	3,946,238
Total business-type activities program revenues	<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>	<u>27,959,308</u>	<u>28,560,334</u>	<u>19,494,927</u>	<u>23,615,727</u>	<u>27,050,409</u>
Total program revenues	<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>	<u>\$ 75,284,875</u>	<u>\$ 75,347,959</u>	<u>\$ 71,598,735</u>	<u>\$ 78,085,568</u>	<u>\$ 93,226,810</u>

COUNTY OF RACINE, WISCONSIN
TABLE 2 - CHANGES IN NET POSITION
for fiscal years ended December 31, 2011 through 2020
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (66,556,334)	\$ (66,032,125)	\$ (55,406,682)	\$ (56,548,978)	\$ (53,153,475)	\$ (65,049,618)	\$ (77,339,500)	\$ (155,954,461)	\$ (79,888,221)	\$ (23,737,115)
Business-type activities	659,065	(693,878)	(854,771)	(697,665)	(668,820)	(1,243,081)	(2,195,748)	(523,848)	139,562	(522,641)
Total net expense	<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>	<u>\$ (66,292,699)</u>	<u>\$ (79,535,248)</u>	<u>\$ (156,478,309)</u>	<u>\$ (79,748,659)</u>	<u>\$ (24,259,756)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 45,035,318	\$ 51,540,458	\$ 51,378,111	\$ 51,962,329	\$ 52,178,043	\$ 51,382,533	\$ 51,919,376	\$ 52,800,996	\$ 54,542,289	\$ 55,752,466
Other taxes	-	92,821	323	123	145	457	467	465	475	417
Grants and contributions not restricted to specific programs	5,761,091	2,711,964	2,757,895	2,745,176	2,771,696	3,004,169	2,900,458	2,919,130	3,352,909	11,024,337
Unrestricted investment earnings	3,840,094	3,754,217	3,487,113	3,243,584	2,841,700	3,155,601	2,949,947	4,578,269	6,526,623	4,313,560
Gain (loss) on sale of capital assets	4,128,649	-	-	-	-	-	-	-	-	-
Other	1,401,946	1,115,493	1,206,511	1,513,197	2,108,633	3,201,478	3,364,758	751,587	878,226	9,034,998
Transfers	(1,558,276)	(1,133,356)	(216,779)	(733,769)	(679,048)	(697,574)	(147,372)	835,936	(3,074,007)	(370,957)
Total governmental activities	<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>	<u>60,046,664</u>	<u>60,987,634</u>	<u>61,886,383</u>	<u>62,226,515</u>	<u>79,754,821</u>
Business-type activities:										
Unrestricted investment earnings	-	67	47	326	54	30	19,533	26,058	36,518	8,091
Other	96	-	-	-	-	-	-	-	-	3,862
Special item	-	-	-	-	-	-	5,744,950	-	-	-
Transfers	1,558,276	1,133,356	216,779	733,769	679,048	697,574	147,372	(835,936)	3,074,007	370,957
Total business-type activities	<u>1,558,372</u>	<u>1,133,423</u>	<u>216,826</u>	<u>734,095</u>	<u>679,102</u>	<u>697,604</u>	<u>5,911,855</u>	<u>(809,878)</u>	<u>3,110,525</u>	<u>382,910</u>
Total	<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>	<u>\$ 60,744,268</u>	<u>\$ 66,899,489</u>	<u>\$ 61,076,505</u>	<u>\$ 65,337,040</u>	<u>\$ 80,137,731</u>
Change in Net Position:										
Governmental activities	\$ (7,947,512)	\$ (7,950,528)	\$ 3,206,492	\$ 2,181,662	\$ 6,067,694	\$ (5,002,954)	\$ (16,351,866)	\$ (94,068,078)	\$ (17,661,706)	\$ 56,017,706
Business-type activities	2,217,437	439,545	(637,945)	36,430	10,282	(545,477)	3,716,107	(1,333,726)	3,250,087	(139,731)
Total	<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>	<u>\$ (5,548,431)</u>	<u>\$ (12,635,759)</u>	<u>\$ (95,401,804)</u>	<u>\$ (14,411,619)</u>	<u>\$ 55,877,975</u>

COUNTY OF RACINE, WISCONSIN
TABLE 3 - FUND BALANCES, GOVERNMENTAL FUNDS
For the fiscal years ended December 31, 2011 through 2020
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:										
Nonspendable	\$ 12,857,104	\$ 15,904,149	\$ 15,800,363	\$ 16,277,554	\$ 16,921,458	\$ 17,462,751	\$ 18,842,899	\$ 18,960,863	\$ 18,899,148	\$ 16,864,439
Restricted	712,400	311,936	312,246	308,297	308,705	309,990	309,990	315,925	323,064	324,658
Committed	16,956,084	14,307,806	16,293,451	17,589,978	18,209,733	20,751,961	15,493,453	19,144,099	16,170,239	20,577,661
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>	<u>9,628,976</u>	<u>12,121,115</u>	<u>12,037,171</u>	<u>11,884,716</u>	<u>13,013,457</u>
Total General Fund	<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>	<u>48,153,678</u>	<u>46,767,457</u>	<u>50,458,058</u>	<u>47,277,167</u>	<u>50,780,215</u>
Other governmental funds:										
Nonspendable	298,773	276,631	271,627	282,631	273,801	270,714	265,427	268,335	271,560	268,658
Restricted	409,299	622,723	1,851,244	942,562	779,499	1,311,491	81,896,421	51,797,202	9,349,832	5,770,037
Committed	8,188,351	7,679,370	7,331,450	8,782,738	5,126,316	4,091,264	3,252,957	3,522,895	4,977,951	3,871,171
Assigned	2,275,724	2,794,177	2,500,134	1,897,768	6,740,705	7,053,290	5,968,059	4,209,449	2,845,030	3,155,869
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(46,588)</u>	<u>(7,460)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other governmental funds	<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>	<u>12,726,759</u>	<u>91,382,864</u>	<u>59,797,881</u>	<u>17,444,373</u>	<u>13,065,735</u>
TOTAL FUND BALANCES	<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>	<u>\$ 60,880,437</u>	<u>\$ 138,150,321</u>	<u>\$ 110,255,939</u>	<u>\$ 64,721,540</u>	<u>\$ 63,845,950</u>

Notes:

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

COUNTY OF RACINE, WISCONSIN
TABLE 4 - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
For the fiscal years ended December 31, 2011 through 2020
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:										
Property taxes	\$ 50,987,609	\$ 50,909,907	\$ 51,109,127	\$ 51,293,780	\$ 51,137,678	\$ 51,382,990	\$ 51,919,843	\$ 52,940,483	\$ 54,451,871	\$ 55,752,883
Intergovernmental	50,287,457	47,599,909	40,536,437	41,598,070	41,893,689	39,082,111	38,488,666	40,185,803	47,810,729	51,788,853
Fines and fees	7,749,642	8,427,429	8,655,700	8,590,341	9,396,850	9,336,139	9,714,759	11,307,106	10,743,975	11,099,579
Interest income	4,128,649	3,754,217	3,487,113	3,243,584	2,841,717	3,155,603	2,949,947	4,674,200	5,534,869	4,313,560
Miscellaneous	3,714,587	3,708,088	2,413,387	2,805,693	3,089,377	3,609,470	3,886,422	5,104,742	841,752	8,748,048
Total revenues	<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>	<u>106,566,313</u>	<u>106,959,637</u>	<u>114,212,334</u>	<u>119,383,196</u>	<u>131,702,923</u>
Expenditures:										
Current:										
General government	15,726,460	17,862,727	12,566,127	12,787,706	11,205,047	16,640,626	16,066,315	17,986,621	23,392,379	20,210,630
Public safety	32,962,956	33,147,567	33,667,840	35,090,055	35,589,333	35,515,704	37,682,554	39,488,611	41,045,055	45,604,675
Health and social services	47,021,339	43,808,518	37,012,809	37,967,539	37,417,651	36,564,821	32,893,728	35,313,644	32,499,251	32,391,866
Education and recreation	4,860,902	4,511,189	4,995,648	5,097,913	5,050,077	4,949,891	4,983,886	5,870,256	5,534,109	5,336,448
Development	2,725,818	3,051,344	1,357,363	1,455,472	1,426,918	1,440,230	5,719,263	2,857,547	2,526,332	1,997,640
Highways and streets	6,114,854	7,266,428	7,777,129	9,577,062	8,327,803	6,579,153	4,710,587	4,975,846	5,415,652	5,552,619
Capital outlay	4,426,458	6,148,346	5,765,958	3,733,621	4,110,646	4,528,999	8,422,003	106,874,309	11,073,567	11,029,218
Debt service principal	4,309,329	12,667,058	5,511,131	5,575,762	5,526,177	8,030,605	8,874,129	6,870,358	154,240,185	12,347,603
Debt service interest and fiscal charges	1,744,994	1,717,804	1,619,324	1,467,319	1,447,931	1,456,049	1,858,140	4,324,418	6,480,791	4,058,801
Total Expenditures	<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>	<u>115,706,078</u>	<u>121,210,605</u>	<u>224,561,610</u>	<u>282,207,321</u>	<u>138,529,500</u>
Excess (deficiency) of revenues over expenditures	<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>	<u>(9,139,765)</u>	<u>(14,250,968)</u>	<u>(110,349,276)</u>	<u>(162,824,125)</u>	<u>(6,826,577)</u>
Other Financing Sources (Uses):										
Transfers in	13,579,254	13,122,729	15,049,544	12,314,105	15,103,686	12,945,950	16,518,509	18,962,668	57,258,554	9,788,018
Transfers out	(15,249,969)	(14,423,362)	(16,243,668)	(13,220,204)	(16,089,775)	(13,261,597)	(16,793,702)	(11,042,244)	(59,875,730)	(10,886,750)
Issuance of general obligation debt	6,560,000	14,447,412	7,020,000	6,135,000	6,565,000	6,010,000	91,870,000	74,725,000	119,570,000	6,845,000
Issuance of refunding bonds	-	-	14,880,000	-	-	-	-	-	-	-
Net premium (discount) on issuance of debt	-	73,784	1,902,105	143,463	129,061	134,196	(102,412)	(195,160)	271,326	175,403
Payment to refunding bond escrow agent	-	-	(15,607,538)	-	-	-	-	-	-	-
Sale of property	3,700	10,400	-	32,067	19,640	4,137	8,965	4,630	65,576	29,316
Total other financing sources (uses)	<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>	<u>5,832,686</u>	<u>91,501,360</u>	<u>82,454,894</u>	<u>117,289,726</u>	<u>5,950,987</u>
Net change in fund balances	<u>\$ 1,867,819</u>	<u>\$ (2,550,468)</u>	<u>\$ 2,928,878</u>	<u>\$ 183,450</u>	<u>\$ 3,985,340</u>	<u>\$ (3,307,079)</u>	<u>\$ 77,250,392</u>	<u>\$ (27,894,382)</u>	<u>\$ (45,534,399)</u>	<u>\$ (875,590)</u>
Capitalized expenditures	\$ 5,762,786	\$ 7,892,151	\$ 8,756,298	\$ 7,000,061	\$ 7,158,889	\$ 4,031,966	\$ 6,637,035	\$ 1,759,410	\$ 4,675,895	\$ 7,458,766
Debt Service as a percent of noncapital expenditures (a)	5.30%	11.76%	7.02%	6.66%	6.77%	8.49%	9.37%	5.02%	57.91%	12.52%

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, 2011 through 2020

Fiscal Year Ended	Real Estate				Personal Property	Total Taxable Equalized Value (EV) (a)	Total Tax Increment District (TID) (e)	EV less TID (b)	County General Tax Levy (c)	Tax Rate (d)
	Residential	Commercial	Manufacturing	Other						
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
2016	10,562,801,300	2,539,509,300	461,915,200	284,286,800	325,179,500	14,173,692,100	398,510,750	13,775,181,350	49,012,924	3.56
2017	11,086,586,900	2,539,655,900	434,652,900	294,950,500	339,633,600	14,695,479,800	471,197,750	14,224,282,050	49,753,906	3.50
2018	11,734,205,200	2,608,271,200	484,943,600	305,641,300	240,728,100	15,373,789,400	322,299,050	15,051,490,350	51,241,578	3.40
2019	12,605,972,900	2,795,848,500	513,915,300	313,534,800	245,793,200	16,475,064,700	424,369,200	16,050,695,500	52,850,564	3.29
2020	13,576,250,700	3,307,803,800	541,486,500	326,022,800	248,095,400	17,999,659,200	818,299,800	17,181,359,400	54,275,287	3.16

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.
- (e) The Village of Sturtevant had a \$222 million Total Tax Increment District (TID) decertify during 2016.

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	2020			2011		
	Taxable Assessed		Percentage of	Taxable Assessed		Percentage of
	Value	Rank	Total County Taxable Assessed Value	Value	Rank	Total County Taxable Assessed Value
S.C. Johnson & Son, Inc.	\$ 103,152,003	2	0.65%	\$ 118,727,500	1	0.83%
Wheaton Franciscan Healthcare	34,410,100	7	0.22%			0.00%
FEWI Development Corp	260,622,200	1	1.65%			
All Saints Health Care	43,933,384	4	0.28%	41,602,900	5	0.29%
United Inc	32,971,200	8	0.21%			
Seda North America Inc	30,571,800	10	0.19%			
Emerson Electric Company	31,636,573	9	0.20%			
Case Equipment Corp	32,904,511	5	0.21%			
Bcore Corridor	96,967,800	3	0.61%			
Johnson Bank	25,000,000	6	0.16%			
Racine Joint Venture (Regency Mall)				114,200,900	2	0.80%
Centerpoint Properties Trust				57,853,700	3	0.41%
Aurora Medical Group				30,017,800	7	0.21%
CNH Global				30,492,800	6	0.21%
Continental 63 & 81 Fund LLC (Wal-Mart Stores)				54,222,600	4	0.38%
Inland Southeast Mt. Pleasant (Village Center Mall)				27,619,300	8	0.19%
Bombardier Motor Corp of America				19,666,900	9	0.14%
High Ridge Improvements				16,400,000	10	0.11%
Totals	<u>\$ 692,169,571</u>		<u>4.38%</u>	<u>\$ 510,804,400</u>		<u>3.58%</u>
Total County Taxable Assessed Value	<u>\$ 15,804,902,300</u>			<u>\$ 14,270,959,350</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, 2011 through 2020

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
2010	2011	\$ 322,502,719	\$ 315,464,185	97.82%	\$ 6,648,403	\$ 322,112,588	99.88%
2011	2012	329,272,692	321,913,844	97.77%	6,752,809	328,666,653	99.82%
2012	2013	338,189,017	331,065,682	97.89%	6,254,316	337,319,998	99.74%
2013	2014	333,245,988	326,674,634	98.03%	5,457,479	332,132,113	99.67%
2014	2015	319,199,884	313,396,709	98.18%	4,602,659	317,999,368	99.62%
2015	2016	334,261,456	328,377,726	98.24%	4,322,153	332,699,880	99.53%
2016	2017	332,487,927	326,481,760	98.19%	4,246,818	330,728,577	99.47%
2017	2018	337,586,793	332,572,353	98.51%	2,865,787	335,438,140	99.36%
2018	2019	343,619,582	338,670,414	98.56%	1,795,949	340,466,362	99.08%
2019	2020	354,029,621	349,080,453	98.60%	-	349,393,278	98.69%

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, 2011 through 2020
(rates per \$1,000 of equalized value)

	2020 Equalized Value (f)	Levy Year									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
County direct rate											
General	\$ 17,181,359,400	\$ 3.33	\$ 3.57	\$ 3.74	\$ 3.66	\$ 3.61	\$ 3.56	\$ 3.50	\$ 3.40	\$ 3.29	3.16
Overlapping rates (g)											
Racine County:											
County Schools (a)	\$ 6,119,419,211	\$ 0.14	\$ 0.15	\$ 0.25	\$ 0.24	\$ 0.17	\$ 0.17	\$ 0.16	\$ 0.14	0.13	0.12
Bridge Aids (b)	4,290,765,000	0.01	0.03	-	-	-	0.04	0.01	0.00	0.00	0.00
Lakeshore Library (c)	10,968,733,700	0.24	0.27	0.27	0.26	0.26	0.25	0.26	0.26	0.25	0.24
Cities:											
Burlington (d)	\$ 1,043,587,800	\$ 21.77	\$ 21.80	\$ 24.09	\$ 22.97	\$ 23.38	\$ 22.75	\$ 23.36	\$ 20.55	20.09	19.38
Racine	3,882,667,200	25.47	28.47	29.13	29.14	30.71	30.32	29.62	29.17	27.54	27.60
Towns:											
Burlington	\$ 794,714,500	\$17.09-18.04	\$16.79-17.74	\$17.29-18.18	\$16.59-17.49	\$16.68-17.58	\$16.83-17.73	\$16.50-17.39	\$15.72-16.61	\$16.63-17.52	\$16.20-17.25
Dover	440,117,500	16.48-18.90	16.89-19.71	16.96-20.06	16.00-18.03	16.27-18.60	16.01-17.78	15.60-17.65	14.26-18.53	14.89-19.49	\$16.08-19.71
Norway	1,044,874,700	15.41-17.68	14.87-17.28	14.93-17.69	14.82-17.92	15.05-18.22	14.57-17.71	13.97-17.76	14.44-18.66	14.15-18.73	\$12.22-16.13
Raymond		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rochester (e)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Waterford	821,864,400	17.57-17.80	18.07-18.67	18.06-18.70	17.74-18.30	17.45-17.93	17.58-17.89	16.95-17.26	16.12-16.97	16.36-16.97	\$15.35-16.23
Yorkville		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Villages:											
Caledonia	\$ 2,483,233,300	\$16.80-18.12	\$20.17-21.65	\$19.99-20.86	\$18.94-19.75	\$19.92-20.62	\$19.55-20.07	\$19.84-20.36	\$20.17-20.69	\$18.05-18.50	\$19.40-19.72
Elmwood Park	44,220,900	16.11	17.29	19.54	18.60	19.80	19.48	19.82	17.82	18.12	19.76
Mount Pleasant	3,215,887,900	20.61-20.96	21.98-22.33	21.16	20.23	21.43	21.43	20.19	20.02	18.62	19.38
North Bay	42,162,600	22.04	23.38	20.99	19.83	20.59	20.40	20.37	21.50	19.76	21.8
Raymond	569,377,600	18.30-18.64	17.97-18.70	18.62-19.75	17.90-18.43	17.73-18.63	17.83-18.33	16.94-18.14	17.69-19.88	16.44-19.27	\$14.06-15.83
Rochester	405,241,500	15.40-17.79	15.97-18.67	17.15-19.52	16.52-18.89	15.82-18.84	15.99-19.05	16.17-19.34	14.33-17.91	14.30-17.82	\$13.60-17.48
Sturtevant	610,365,600	21.08	23.16	22.74	21.82	23.36	21.68	21.57	20.35	19.17	20.18
Union Grove	365,506,700	21.53	23.63	23.67	22.72	23.07	21.78	21.72	20.79	21.77	20.99
Waterford	515,622,500	21.76	21.89	21.95	21.26	22.96	21.58	21.18	21.84	22.44	22.76
Wind Point	282,098,400	16.98	17.05	16.38	15.62	16.29	17.48	17.30	17.84	17.62	18.73
Yorkville	619,816,300	17.56-18.55	18.21-20.19	18.41-19.41	17.56-18.69	17.46-19.09	16.74-17.48	15.75-16.49	17.48-18.23	18.05-18.82	\$17.43-18.06

Notes:

Source: Racine County budgets and Racine County Real Property L

(a) County Schools levy excludes the following taxing districts: Villages of Caledonia, Elmwood Park, Mt Pleasant, North Bay

(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

(d) The City of Burlington is located in both Racine and Walworth C

(e) In 2008, the Town and Village of Rochester merged into a single

(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

(g) All overlapping rates include applicable county direct rates. Ranges are due to differences in tax rates of school districts

COUNTY OF RACINE, WISCONSIN
TABLE 9 - RATIOS OF OUTSTANDING DEBT BY TYPE
For the fiscal years ended December 31, 2011 through 2020

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 Notes	Taxable General Obligation Bonds	Tax Exempt General Obligation Bonds	Tax Exempt General Obligation Notes				
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%	0.73%	316.23
2016	14,173,692,100	34,354,715	19,158,349	-	-	-	4,119,433	1,470,638	59,103,135	0.42%	0.68%	302.64
2017	14,695,479,800	33,139,675	18,108,217	-	78,947,646	7,096,647	3,883,778	-	141,175,963	0.96%	1.56%	723.44 (d)
2018	15,373,789,400	29,137,357	21,734,531	-	146,899,924	7,092,517	3,648,124	-	208,512,453	1.36%	2.14%	1,062.75 (d)
2019	16,475,064,700	23,907,587	36,578,439	-	-	117,088,386	3,407,470	-	180,981,882	1.10%	*	921.09
2020	17,999,659,200	7,450,000	30,435,000	-	7,430,000	118,165,000	3,155,000	-	166,635,000	0.93%	*	851.19

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.
- (d) Increases due to issuance of economic development (Foxconn) projects.
- * 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, 2011 through 2020

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
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
2016	59,103,135	743,802	58,359,333	14,173,692,100	0.41%	195,294	298.83
2017	141,175,963	4,489,458	136,686,505	14,695,479,800	0.93%	195,146	700.43 (b)
2018	208,512,453	4,423,242	204,089,211	15,373,789,400	1.33%	196,200	1,040.21 (b)
2019	180,981,882	2,506,146	178,475,736	16,475,064,700	1.08%	196,487	908.33
2020	166,635,000	892,473	165,742,527	17,999,659,200	0.92%	195,766	846.64

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

(b) Increases due to issuance of economic development (Foxconn) projects.

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, 2011 through 2020
(dollars in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Equalized Value of Taxable Property (a)	\$ 15,041,416	\$ 14,116,995	\$ 13,438,849	\$ 13,623,819	\$ 13,896,029	\$ 14,173,692	\$ 14,224,282	\$ 15,373,789	\$ 16,475,064	\$ 17,999,659
Wisconsin Statutory Debt Limit (b)	\$ 752,071	\$ 705,850	\$ 671,942	\$ 681,191	\$ 694,801	\$ 708,685	\$ 711,214	\$ 768,689	\$ 823,753	\$ 899,983
Debt Applicable to Limit:										
General Obligation Debt (c)	\$ 50,141	\$ 57,990	\$ 59,720	\$ 61,478	\$ 61,817	\$ 59,103	\$ 141,176	\$ 208,512	\$ 180,982	\$ 166,635
Less Debt Service Funds (d)	(194)	(66)	(1,125)	(210)	(216)	(744)	(4,489)	(4,423)	(2,506)	(2,359)
Total net debt applicable to limit	\$ 49,947	\$ 57,924	\$ 58,595	\$ 61,268	\$ 61,601	\$ 58,359	\$ 136,687	\$ 204,089	\$ 178,476	\$ 164,276
Legal Debt Margin	\$ 702,124	\$ 647,926	\$ 613,347	\$ 619,923	\$ 633,200	\$ 650,326	\$ 574,527	\$ 564,600	\$ 645,277	\$ 735,707
Debt Capacity Used	6.6%	8.2%	8.7%	9.0%	8.9%	8.2%	19.2%	26.6%	21.7%	18.3%

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 assessed value.

(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).

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

COUNTY OF RACINE
TABLE 12 - DEMOGRAPHIC AND ECONOMIC STATISTICS
For the fiscal years ended December 31, 2011 through 2020

Year	Population (a)	Per Capita		Personal Income (a) x (b)	School Enrollment (c)		Unemployment Rates (d)	
		Personal Income (b)			Public Schools	Private Schools	Racine County	State of Wisconsin
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	43,486		8,500,817,224	29,034	5,524	5.1%	4.2%
2016	195,294	44,813		8,751,710,022	27,525	5,804	4.4%	3.7%
2017	195,146	46,412		9,057,116,152	27,495	5,805	3.2%	2.7%
2018	196,200	49,749		9,760,753,800	27,249	5,805	3.1%	2.6%
2019	196,487	50,845		9,990,381,515	26,899	5,184	3.8%	3.2%
2020	195,766	*		*	25,489		6.1%	6.3%

* 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>Employees</u>	<u>2020 Percentage of Total Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>2011 Percentage of Total Employment</u>	<u>Rank</u>
CNH America LLC (formerly Case Corp.)	1000+		5	1000+	*	4
All Saints Medical Center, Inc. (formerly St. Luke's Hospital, Inc.)	1000+		1	1000+	*	1
S C Johnson & Son Inc.	1000+		3	1000+	*	3
Racine Unified School District	1000+		2	1000+	*	2
InSinkErator Div, Emerson Electric Co	500-999		7	1000+		6
Aurora Health Care of Southern Lake	1000+		4	500-999	*	10
County of Racine	500-999		9	500-999	*	8
Wal-Mart				500-999	*	7
City of Racine	1000+		6	1000+	*	5
Cree, Inc (fka: Ruud Lighting Inc)	500-999		8	500-999	*	
Department of Corrections				500-999	*	9
Andis Co	500-999		10	500-999		
Racine County Total Employment:		94,829				

Source: Wisconsin Department of Workforce Development, Office of Economic Advisors

Year 2015, new source: Racinecountyedc.org

Year 2016, new source: Quarles & Brady, LLP, Bond Counsel - Official Debt Issuance document

* Information not available

Year 2018, new source: Racine County Economic Development Corporation

COUNTY OF RACINE, WISCONSIN
TABLE 14 - COUNTY GOVERNMENT FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2011 through 2020

Function / Program	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:									
Building & Facilities Management Division	12.38	13.00	13.00	13.00	13.00	13.00	15.00	15.00	14.00
Clerk of Circuit Court Office	38.63	33.50	30.75	29.75	29.40	30.40	30.40	37.40	37.40
Corporation Counsel	5.10	5.10	5.10	5.10	5.10	5.15	5.15	4.65	4.65
County Board	23.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.30
County Clerk	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
County Executive	2.18	2.18	2.18	2.18	2.18	2.18	2.40	2.90	5.10
County Treasurer	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	5.00
Data & Performance Analytics	-	-	-	-	0.00	-	-	-	-
District Attorney's Office	10.05	9.65	9.65	8.80	8.80	9.40	9.40	12.00	13.00
Finance Department (d)	11.83	11.90	12.90	12.90	13.00	13.00	13.90	14.10	14.05
Human Resources Department	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00
Information Systems Department	7.00	7.00	6.00	6.00	6.00	7.00	8.00	9.00	10.00
Land Information Office	0.32	0.25	0.25	0.25	0.25	0.25	0.75	0.25	0.25
Medical Examiner Office	1.83	1.08	1.08	1.08	1.08	1.08	1.00	1.00	1.00
Print & Mail Division	1.00	1.00	1.00	1.00	-	-	-	-	-
Real Property Lister Division (f)	2.44	2.44	-	-	-	-	-	-	-
Racine County Alternatives	-	-	-	-	-	-	-	-	-
Register of Deeds	5.44	5.44	7.00	7.00	7.00	7.00	7.00	7.00	7.00
UW - Extension	-	-	-	-	-	-	-	-	-
Veterans Service Office	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.00	3.00
Victim Witness Office	7.33	7.33	6.00	6.00	6.00	6.70	6.70	6.70	7.70
Public Safety:									
Communications / Dispatch (c)	51.00	51.00	51.00	51.00	51.00	51.00	51.00	52.00	53.00
Emergency Management Office	1.38	1.18	1.18	1.18	1.08	1.08	1.00	1.00	1.00
Jail and Jail Alternatives	106.08	102.08	96.08	96.08	96.08	96.08	113.00	113.00	114.00
Sheriff's Office	120.70	119.00	120.00	122.00	122.00	123.00	129.00	137.00	172.00
Health and Social Services:									
Child Support Division	28.25	28.25	23.50	21.50	23.60	23.55	23.55	24.55	25.55
Family Court Commissioner (e)	-	-	-	-	-	-	-	-	-
Human Services Division	182.00	168.50	160.30	160.10	157.80	159.15	164.85	203.20	232.90
Ridgewood Care Center	148.08	144.68	158.28	162.48	161.60	158.50	-	-	-
Education and Recreation:									
County Schools Office (b)	-	-	-	-	-	-	-	-	-
Parks Division (a)	14.65	8.92	10.17	10.31	9.81	9.83	9.08	8.03	9.23
Development:									
Land Conservation Division	3.50	2.70	2.25	2.00	2.00	2.00	2.00	3.00	3.00
Planning and Development	6.18	5.60	5.99	5.59	5.59	7.50	6.00	6.45	6.80
Highways and Streets (a)	66.48	60.73	57.54	54.39	57.61	58.67	60.53	62.70	68.20
	873.78	830.72	819.42	817.91	817.21	822.75	696.46	757.18	838.38

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

(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, 2011 through 2020

Function / Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety - Sheriff										
Calls for Service (a) (g)	55,220	72,156	75,442	78,417	81,808	80,820	74,238	73,927	76,279	65,592
Arrests (d) (g)	31,085	37,233	32,067	29,100	33,531	36,831	34,138	28,732	28,960	18,469
Sworn Personnel	136	136	136	137	137	141	143	149	161	161
Average Daily Jail Population	688	675	684	674	673	730	717	767	746	562
Jail Bookings (g)	9,676	9,285	9,154	9,047	9,090	8,706	8,140	9,153	9,079	5,694
Health and Social services - Human Service										
Economic Support Services										
Unduplicated Caseload (b)	17,942	22,157	24,716	26,284	23,342	26,989	26,261	28,038	26,374	28,472
Youth Apprehended (c)	1,350	1,230	1,134	1,031	926	1,326	891	846	269	209
Mental Health Inpatient Days	3,527	3,366	3,769	2,904	2,015	2,088	1,548	1,515	2,291	2,174
WDC Job Center of Wisconsin listings (f)	4,089	4,602	5,747	6,685	8,620	9,035	15,084	11,788	N/A	N/A
Ridgewood Healthcare Center "e"										
Admissions	449	473	483	396	396	451	366	0	0	0
Discharges	448	447	484	349	324	378	311	0	0	0
Education and Recreation - Parks (estimated)										
Daily Cliffside Park Camping Nights	4,930	4,941	5,585	5,887	7,030	9,593	9,021	8,920	8,824	8,192
Daily Fischer & Quarry Lake Entrance (g)	22,563	24,805	24,628	20,663	26,324	25,541	17,831	15,824	14,122	3,761
Daily Fischer & Eagle Boat Launches	4,562	4,981	4,851	5,454	5,006	6,538	5,615	3,795	5,018	4,979
Highways and Streets - Lane Miles Maintained										
County	340	340	338	338	338	338	338	332	332	321
State	677	677	684	698	698	698	698	698	698	698

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

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

(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

(e) Ridgewood Care Center sold in 2017.

(f) WDC was a function of the WIOA program which ended June 30, 2019.

(g) Lower numbers due to COVID19 Pandemic

COUNTY OF RACINE, WISCONSIN
TABLE 16 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2011 through 2020

<u>Function / Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public safety										
Sheriff Patrol Units	28	28	28	28	29	29	30	28	31	42
Sheriff Stations	2	2	2	2	2	2	2	2	2	2
Jail Beds	876	876	876	876	876	876	876	876	876	876 (a)
Health and social services										
Licensed Beds at Ridgewood Healthcare Center	210	200	200	200	200	200	200	0	0	0
Education and recreation										
										(b)
Park Acreage:										
Harbor / Marina	127	127	127	127	127	131	131	131	131	131 (d) & (e)
Fox River Parkway	117	117	117	117	117	94	94	94	94	94 (d)
Root River Parkway	676	676	676	694	694	655	655	655	655	655 (d)
All Other Park Land	1,408	1,484	1,484	1,484	1,484	1,485	1,485	1,485	1,485	1,485
Bike Trail Miles	37	37	37	37	37	37	37	37	37	37
Golf Acreage	427	427	427	427	427	446	446	446	446	446
Highways and streets										
Vehicles and Pieces of Equipment	578	549	548	548	548	530	541	633	651	656
Centerline Miles of County Roads	170	170	164	164	164	164	167	164	164	160
Bridges	16	16	17	17	17	17	17	16	16	18 (c)
Dams	6	6	6	6	6	6	6	6	6	6
Car Pool Fleet (Administered by PW)	10	12	13	13	13	13	13	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
- (c) According to PWDS counts, 2013 through present bridge counts are 17. This is an amendment to 2013 and 2014 reported counts.
- (d) In 2016, realized the source document GIS was misinterpreted in prior years
- (e) Restated 2016 as well as updated 2017. Confirmed w/staff that this is made up of parcel #276-00-00-00-034-001 (Belle Harbor) and #276-00-00-00-154-001 (Reefpoint Marina)
- (f) Ridgewood Care Center sold in 2017.