

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDING
DECEMBER 31, 2022



COUNTY OF RACINE,
WISCONSIN

COUNTY OF RACINE, WISCONSIN

Racine, Wisconsin

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2022

Prepared by:
Racine County Finance Department

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INTRODUCTORY SECTION

July 20, 2023

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

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the County of Racine for the fiscal year ended December 31, 2022. 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 197,000 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 2022 unemployment rate was 2.5%.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 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.

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

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 2023 budget includes plans for:

- \$5.8 million in equipment and facility upgrades or replacements for our Public Works, Parks, Buildings & Facility, Human Services, and Sheriff's Office operations.
- \$3.5 million for design and construction costs for improvements to County Highways.
- \$3.5 million for parks upgrades at Quarry Lake, Pritchard Park, and a splashpad for the west end of the county.
- An expansion of the Violent Crime Reduction Initiative to combat gun violence and promote community safety in partnership with law enforcement and human services.
- An investment in body camera footage software to assist law enforcement and the District Attorney to better analyze evidence.

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 AA rating by 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, 2022, the County was rated Aa3 by Moody's and AA by 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, 2021. In order to be awarded a Certificate of Achievement, the county must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Gwen Zimmer".

Gwen Zimmer
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Racine
Wisconsin**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

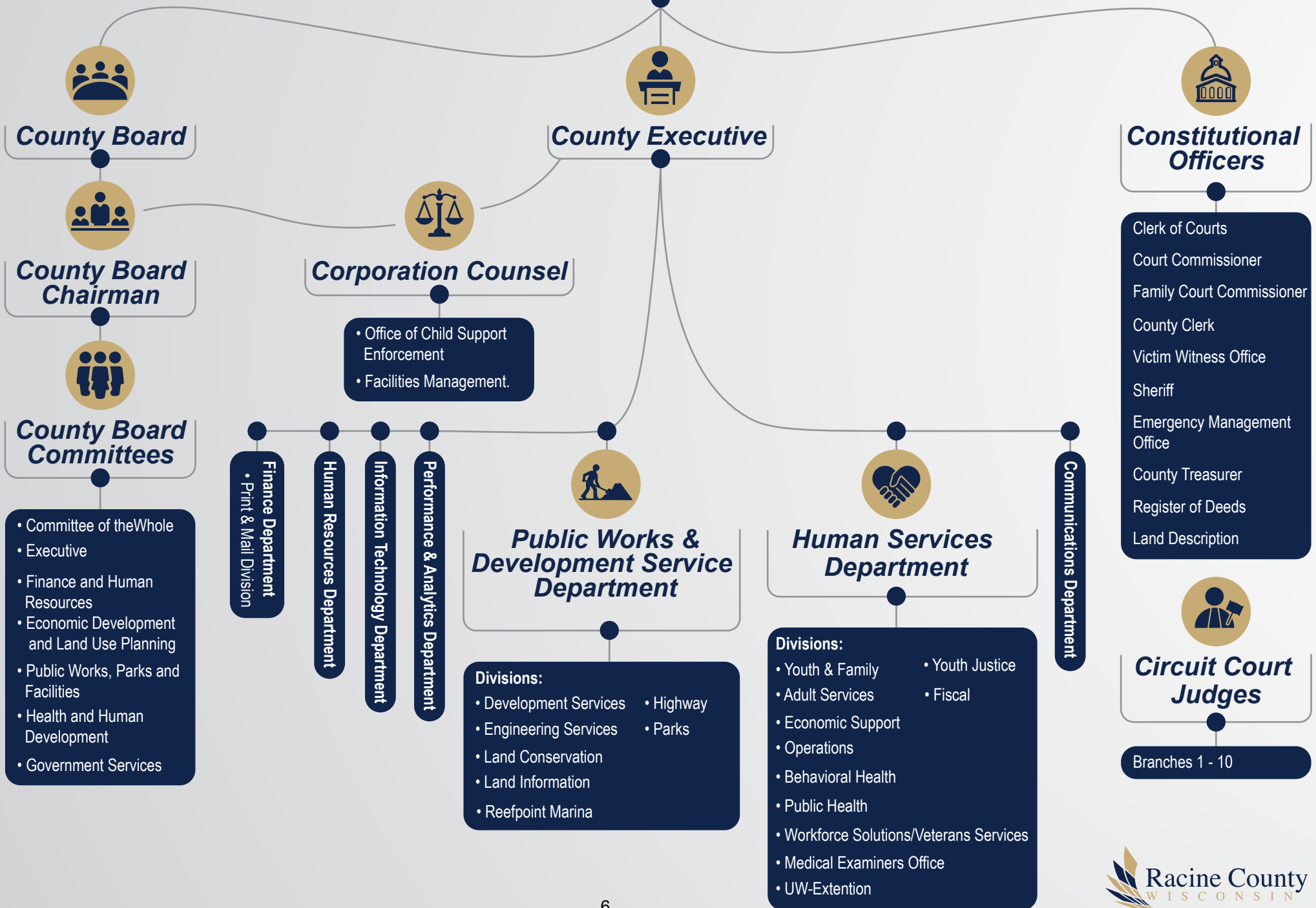
December 31, 2021

Christopher P. Morill

Executive Director/CEO

Racine County Government

Residents of Racine County



County of Racine Principal Officials

County Elected Officials*

County Executive Jonathan J. Delagrave
County Clerk..... Wendy M. Christensen
County Treasurer Jeffrey 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 – Tom Rutkowski	14 – Jason Eckman
4 – Melissa Kaprelian	15 – John Wisch
5 – Jody Spencer	16 – Scott Maier
6 – Marcus West	17 – Robert D. Grove
7 – Jessica Lee Malacara	18 – Thomas E. Roanhouse, Chairman
8 – Marlo Harmon	19 – Tom Hincz
9 – Eric Hopkins	20 – Edward Chart
10 – Olga White	21 – Taylor Wishau
11 – Robert N. Miller	

Appointed Officials *

Finance Director Gwen Zimmer
Corporation Counsel Michael Lanzdorf
Human Resources Director Sarah Street
Information Systems Director Shuchi Wadhwa
Human Services Director Hope M. Otto
Public Works & Development Services Director Julie A. Anderson
Communications Director Jacqueline R. Bratz
Chief of Staff Vacant

* - as of the fiscal year end of this report

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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 (the County), as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 as of December 31, 2022 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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'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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises of the Introductory Section and Statistical Section listed in the accompanying table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2023 on our consideration of the County'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'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's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
July 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

County of Racine, Wisconsin

Management's Discussion and Analysis (Unaudited)

December 31, 2022

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, 2022. 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 2022 year by \$97.2 million (*net position*), with a \$115.1 million deficit in governmental activities and a \$17.9 million surplus in business-type activities. The unrestricted net position of the County was a negative \$217.9 million.
- The County's total net position deficit decreased by \$5.3 million which was primarily due to increased grant revenue with Coronavirus State and Local Fiscal Recovery Funds and increased expenses primarily in governmental activities such as in-rem property tax write-offs and law enforcement contract increases.
- On December 31, 2022, the County's governmental funds maintained a combined fund balance of \$58.3 million. Approximately \$12.4 million or 21.2% 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).

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 21-23 of this report.

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

County of Racine, Wisconsin

Management's Discussion and Analysis (Unaudited)

December 31, 2022

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 nine 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 six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

The County adopts an annual budget for all of its governmental funds, except the Permanent Fund. As part of the 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.

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

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Racine County uses enterprise funds to account for its 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 30-39 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 40-41 of this report.

County of Racine, Wisconsin

Management's Discussion and Analysis (Unaudited)
December 31, 2022

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 42-88 of this report.

Required supplementary information provides budgetary comparison for the County's general fund and major special revenue funds and information on the County's other postemployment benefits (OPEB) and pension plan on pages 89-94 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 95-110 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Racine County, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$97.2 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)

December 31, 2022

RACINE COUNTY'S NET POSITION

(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 208,575	\$ 188,481	\$ 4,661	\$ 4,954	\$ 213,236	\$ 193,435
Capital Assets	120,193	115,014	18,586	17,487	138,779	132,501
Total assets	328,768	303,495	23,247	22,441	352,015	325,936
Deferred outflows	58,304	50,479	3,691	1,933	61,995	52,412
Long-term liabilities	286,449	320,880	2,656	2,911	289,105	323,791
Other liabilities	45,249	30,253	1,960	2,107	47,209	32,360
Total liabilities	331,698	351,133	4,616	5,018	336,314	356,151
Deferred inflows	170,492	122,082	4,372	2,578	174,864	124,660
Net position (deficit)						
Net investment in capital assets	74,584	72,492	15,930	14,576	90,514	87,068
Restricted	27,816	19,896	2,417	1,549	30,233	21,445
Unrestricted (deficit)	(217,518)	(211,629)	(397)	653	(217,915)	(210,976)
Total net position (deficit)	\$ (115,118)	\$ (119,241)	\$ 17,950	\$ 16,778	\$ (97,168)	\$ (102,463)

County of Racine, Wisconsin

Management's Discussion and Analysis (Unaudited)

December 31, 2022

As shown in the following table, the County's net position increased by \$5.3 million during the year.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 14,055	\$ 11,841	\$ 24,486	\$ 23,429	\$ 38,541	\$ 35,270
Operating grants and contributions	62,879	58,552	-	100	62,879	58,652
Capital grants and contributions	4	5	-	-	4	5
General Revenues:						
Property taxes	60,813	56,960	-	-	60,813	56,960
Grants not restricted to specific programs	8,328	7,705	-	-	8,328	7,705
Unrestricted investment earnings	4,670	4,164	-	42	4,670	4,206
Other	9,637	9,228	55	2	9,692	9,230
Total revenues	160,386	148,455	24,541	23,573	184,927	172,028
Expenses:						
General government	28,396	22,720	-	-	28,396	22,720
Public safety	48,105	46,841	-	-	48,105	46,841
Health and social services	33,551	30,296	-	-	33,551	30,296
Education and recreation	7,023	6,788	-	-	7,023	6,788
Development	2,079	1,650	-	-	2,079	1,650
Highways and streets	31,516	27,430	-	-	31,516	27,430
Interest and fiscal charges	3,761	3,678	-	-	3,761	3,678
Healthcare Center	-	-	-	-	-	-
Reefpoint Marina	-	-	2,388	1,894	2,388	1,894
Behavioral Health Services	-	-	21,889	20,823	21,889	20,823
Pritchard Park	-	-	698	819	698	819
Golf Courses	-	-	226	314	226	314
Total expenses	154,431	139,403	25,201	23,850	179,632	163,253
Change in net position before transfers	5,955	9,052	(660)	(277)	5,295	8,775
Transfers	(1,832)	(637)	1,832	637	-	-
Change in net position	4,123	8,415	1,172	360	5,295	8,775
Beginning of year (Deficit)	(119,241)	(127,656)	16,778	16,418	(102,463)	(111,238)
Net position (deficit) - ending	\$ (115,118)	\$ (119,241)	\$ 17,950	\$ 16,778	\$ (97,168)	\$ (102,463)

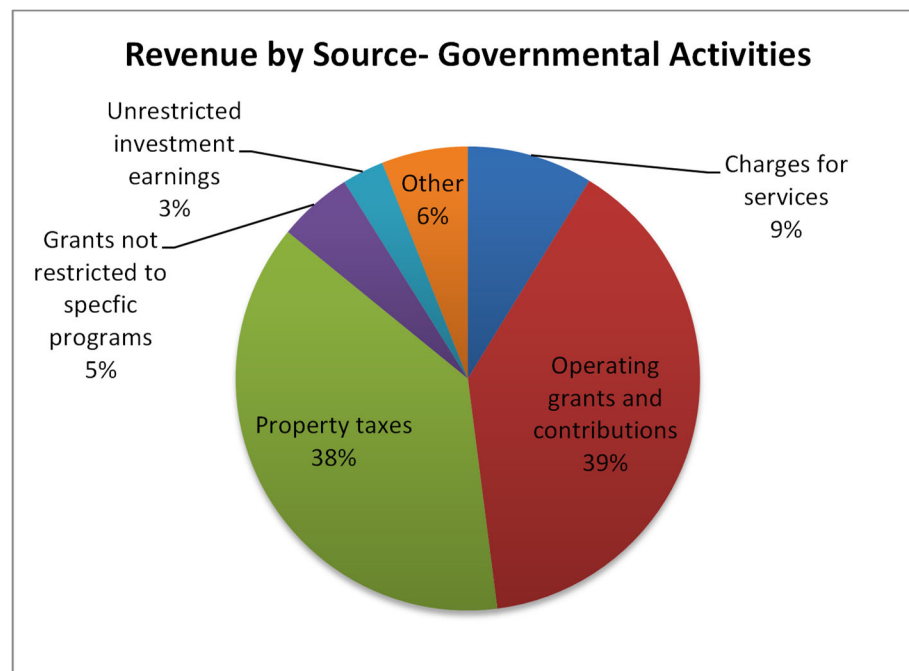
County of Racine, Wisconsin

Management's Discussion and Analysis (Unaudited)
December 31, 2022

Governmental Activities

Revenues for the County's governmental activities were \$160.4 million for fiscal year 2022, representing an increase of \$11.9 million or 8.0% over fiscal year 2021. This increase is largely due to changes in grants including Coronavirus State and Local Fiscal Recovery Funds, increased investment rates related to the federal treasury rate adjustments, and the increase of property taxes revenue which, which grew 6.8% as a result of an increase in net new construction, driven by increased equalized values throughout each municipality within the County and increased with a levy transfer from other municipalities.

Sources of revenue for 2022 as a percentage of total revenues are shown below. Operating grants and contributions, namely Coronavirus State and Local Fiscal Recovery Funds, constitute the largest revenue source.



The County's expenses for governmental activities increased by \$15 million or 10.8%. Most of the change was due to increases in insurance pool expenses, tax write-offs for in-rem properties, law enforcement contract increases, and returning to normal government operations after the COVID-19 pandemic.

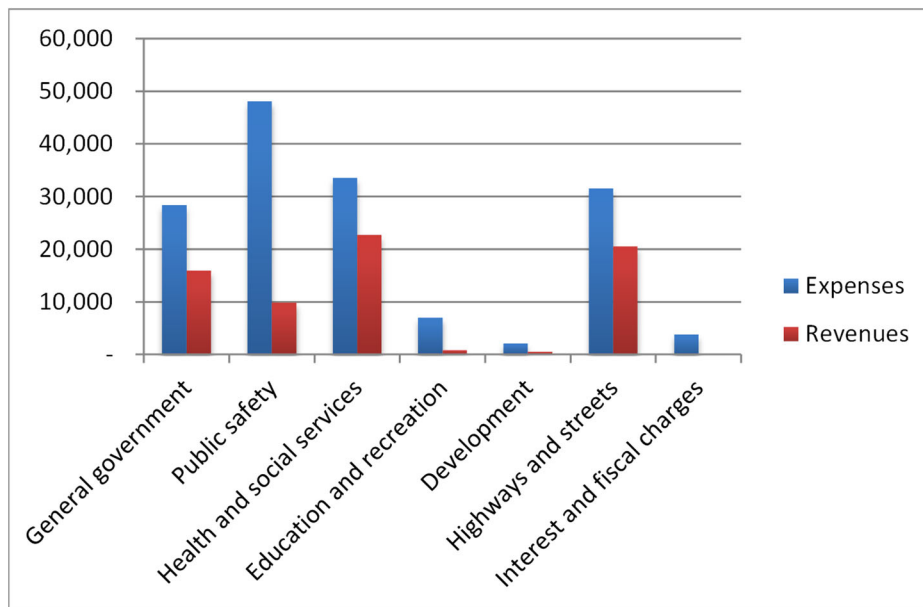
Governmental activities expenses exceeded program revenues by \$77.5 million. When general revenues (which include such items as property taxes, investment earnings and grants and contributions not restricted to specific programs) are included, total revenues exceed expenses by \$4.1 million after transfers.

County of Racine, Wisconsin

Management's Discussion and Analysis (Unaudited)
December 31, 2022

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

Expenses and Program Revenues – Governmental Activities

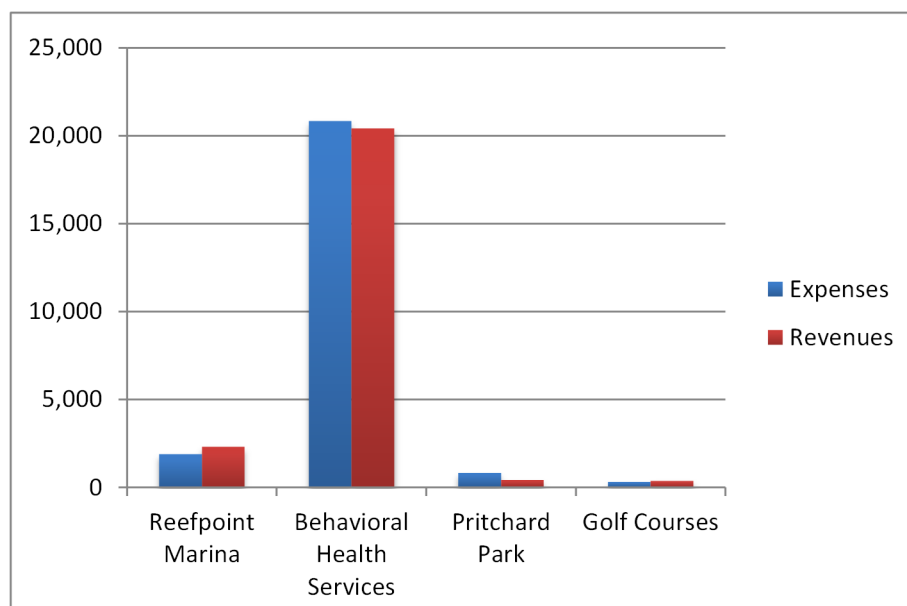


Business-Type Activities

Business-type activities (before transfers) decreased the County's net position by \$0.7 million. Overall, 2022 expenses increased \$1.3 million or 5.7% from 2021 and 2022 revenues increased \$1.0 million or 4.1% from 2021.

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

Expenses and Program Revenues – Business-Type Activities



County of Racine, Wisconsin

Management's Discussion and Analysis (Unaudited)

December 31, 2022

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 \$58.3 million, a decrease of \$7.9 million from the prior year. Approximately 21.3% of this amount, \$12.4 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 \$43.3 million, of which 28.6% or \$12.4 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 12.0% of total General fund expenditures and transfers out, while total fund balance represents 42.0% of that same amount. Fund balance of the County's General fund decreased \$4.4 million from the prior year. This decrease is primarily due to increased expenditures within general government and law enforcement while partially offset by increased property tax revenue derived from equalized values resulting in 2.74% increase in net new construction.

Human Services fund. The Human Services special revenue fund accounts for the revenue and expenditures associated with the Human Services Department. Human Services is the largest department within the County's government and receives a wide variety of intergovernmental revenues and a transfer of tax levy from the General Fund. The Human Services fund balance of \$5.3 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 \$0.1 million compared to the prior year. This increase is primarily due to drawing administrative expenses down on grants that would otherwise have been covered by property tax levy.

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 \$1.3 million is restricted for principal and interest payments on the County's outstanding bond debt. Fund balance decreased from last year by \$0.6 million. This decrease is primarily due to the refunding of prior year debt and the use of fund balance reserves to offset the impact of property tax levy.

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

The total net position of Reefpoint Marina, Behavioral Health Services and Pritchard Park decreased slightly versus the prior year. Reefpoint Marina's net position decreased 3.9% primarily due to increased fuel and other operating expenses during market inflation. Behavioral Health Service's net position decreased 15.4% primarily due to increased salary expenses and medication costs. Pritchard Park's net position increased 1.2% primarily due to increased revenues with the operations of the facility being fully complete during the 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 a \$19.3 million increase in appropriations. Carryovers and encumbrances to the next fiscal year accounted for nearly all the increase but new grants and revenue transfers to authorize expenditures are also included.

County of Racine, Wisconsin

Management's Discussion and Analysis (Unaudited)

December 31, 2022

Actual revenues of the general fund were \$3.7 million more than the final amended budget primarily due to the revenue of the Coronavirus State and Local Fiscal Recovery Funds which was earned during the year as projects were completed.

Actual expenditures of the general fund were \$8.3 million under the final amended budget. Carryovers and encumbrances to the next fiscal year accounted for nearly all of this favorable variance but new grants and revenue transfers to authorize expenditures are also included.

The General Fund budgetary comparison is presented on page 89 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, 2022, amounted to \$138.8 million (net of accumulated depreciation), an increase of \$6.3 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		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 22,587	\$ 22,587	\$ 1,132	\$ 1,132	\$ 23,719	\$ 23,720
Construction in progress	15,203	9,110	1,782	4,964	16,985	14,074
Buildings	33,157	34,498	10,899	6,312	44,056	40,810
Improvements	9,492	9,593	4,599	4,988	14,091	14,581
Machinery and equipment	11,221	8,933	174	91	11,395	9,024
Infrastructure	28,533	30,294	-	-	28,533	30,294
Total	\$ 120,193	\$ 115,015	\$ 18,586	\$ 17,487	\$138,779	\$132,502

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

Long-term debt. At the end of the current fiscal year, Racine County had \$165.2 million of general obligation debt outstanding. The County has a Aa3 by Moody's and AA rating from Standard & Poors Investor Services on general obligation debt. Under current state statutes, the County's general obligation debt issues are subject to a legal limitation of 5% of the equalized value of taxable property in the County. As of December 31, 2022, the County's total amount applicable to the debt margin (outstanding notes less debt service fund balance) is \$162.5 million, which is significantly below the legal limit of \$924.4 million.

During the year, the County issued \$12.2 million of general obligation bonds for the refunding of bonds general obligation promissory notes 2014 and to finance the cost of highway projects and County building and facilities projects included in the County's 2022 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.

County of Racine, Wisconsin

Management's Discussion and Analysis (Unaudited)
December 31, 2022

The State of Wisconsin has imposed tax levy limits on Wisconsin counties. Racine County's operating 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 debt service, handicapped education, libraries, and bridge aids, are exempt from the levy limit.

Next Year's Budget and Rates

The 2023 general County-wide levy, which covers operations and debt services, increased by \$1.4 million over 2022. Other tax levies of the County include bridge aids, library and County schools which decreased \$7,400 over 2022. Total expenses for the next budget increased by \$6.9 million and total revenues increased \$10.5 million over the prior year

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, Wisconsin

Statement of Net Position
December 31, 2022

	Governmental Activities	Business- Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 75,894,059	\$ 2,523,283	\$ 78,417,342
Receivables (net):			
Receivables (net)	88,463,944	81,612	88,545,556
Due from other governmental units	8,064,590	6,004,507	14,069,097
Internal balances	6,569,576	(6,569,576)	-
Inventories	1,398,176	70,338	1,468,514
Prepaid items	2,546,058	133,033	2,679,091
Restricted assets:			
Cash and investments	687,826	-	687,826
Net pension asset	24,951,260	2,417,447	27,368,707
Capital assets:			
Land	22,587,263	1,131,761	23,719,024
Construction in progress	15,202,995	1,782,378	16,985,373
Other capital assets, net of depreciation	<u>82,402,921</u>	<u>15,671,519</u>	<u>98,074,440</u>
Total assets	<u>328,768,668</u>	<u>23,246,302</u>	<u>352,014,970</u>
Deferred Outflows of Resources			
Deferred charge on refunding	359,066	-	359,066
Pension related amounts	50,363,631	3,690,647	54,054,278
OPEB related amounts	<u>7,581,516</u>	<u>-</u>	<u>7,581,516</u>
Total deferred outflows of resources	<u>58,304,213</u>	<u>3,690,647</u>	<u>61,994,860</u>
Liabilities, Deferred inflows of Resources and Net Position (Deficit)			
Liabilities			
Accounts payable and other current liabilities	11,115,086	1,058,308	12,173,394
Accrued interest	1,390,661	5,744	1,396,405
Grant and user fee advances	-	896,049	896,049
Deposits	872,439	-	872,439
Unearned revenues	31,871,280	-	31,871,280
Noncurrent liabilities:			
Due within one year	15,846,545	265,000	16,111,545
Due in more than one year	<u>270,602,181</u>	<u>2,390,507</u>	<u>272,992,688</u>
Total liabilities	<u>331,698,192</u>	<u>4,615,608</u>	<u>336,313,800</u>
Deferred Inflows of Resources			
Property taxes levied for future periods	62,062,955	-	62,062,955
Unearned revenues	7,329,309	-	7,329,309
Pension related amounts	60,103,943	4,371,531	64,475,474
OPEB related amounts	40,598,888	-	40,598,888
Other	<u>397,284</u>	<u>-</u>	<u>397,284</u>
Total deferred inflows of resources	<u>170,492,379</u>	<u>4,371,531</u>	<u>174,863,910</u>

See notes to financial statements

County of Racine, Wisconsin

Statement of Net Position
December 31, 2022

	Governmental Activities	Business- Type Activities	Total
Net Position (Deficit)			
Net investment in capital assets	\$ 74,583,854	\$ 15,930,151	\$ 90,514,005
Restricted for:			
Debt service	572,641	-	572,641
Recreation land acquisition	344,649	-	344,649
Pensions	24,951,260	2,417,447	27,368,707
Opioid	1,515,781	-	1,515,781
Expendable endowments	168,246	-	168,246
Nonexpendable endowments	264,246	-	264,246
Unrestricted (deficit)	<u>(217,518,367)</u>	<u>(397,788)</u>	<u>(217,916,155)</u>
 Total net position (deficit)	 <u>\$ (115,117,690)</u>	 <u>\$ 17,949,810</u>	 <u>\$ (97,167,880)</u>

See notes to financial statements

County of Racine, Wisconsin

Statement of Activities

Year Ended December 31, 2022

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	\$ 28,395,593	\$ 6,128,904	\$ 14,360,382	\$ -	\$ (7,906,307)	\$ -	\$ (7,906,307)
Public safety	48,104,701	3,195,102	5,291,461	-	(39,618,138)	-	(39,618,138)
Health and social services	33,550,721	3,506,568	22,010,998	-	(8,033,155)	-	(8,033,155)
Education and recreation	7,022,387	899,434	52,338	-	(6,070,615)	-	(6,070,615)
Development	2,079,399	305,830	180,015	-	(1,593,554)	-	(1,593,554)
Public service enterprises	4,399,531	-	-	-	(4,399,531)	-	(4,399,531)
Highway and streets	27,116,141	18,815	20,983,683	3,589	(6,110,054)	-	(6,110,054)
Interest and fiscal charges	3,761,597	-	-	-	(3,761,597)	-	(3,761,597)
Total governmental activities	<u>154,430,070</u>	<u>14,054,653</u>	<u>62,878,877</u>	<u>3,589</u>	<u>(77,492,951)</u>	<u>-</u>	<u>(77,492,951)</u>
Business-type activities:							
Reefpoint Marina	2,388,446	2,354,225	-	-	-	(34,221)	(34,221)
Behavioral Health Services	21,889,134	21,018,942	-	-	-	(870,192)	(870,192)
Pritchard Park	697,582	719,331	-	-	-	21,749	21,749
Golf courses	226,316	393,040	-	-	-	166,724	166,724
Total business-type activities	<u>25,201,478</u>	<u>24,485,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(715,940)</u>	<u>(715,940)</u>
Total	<u>\$ 179,631,548</u>	<u>\$ 38,540,191</u>	<u>\$ 62,878,877</u>	<u>\$ 3,589</u>	<u>(77,492,951)</u>	<u>(715,940)</u>	<u>(78,208,891)</u>
General Revenues							
Taxes:							
Property taxes, levied for general purposes					53,089,062	-	53,089,062
Property taxes, levied for debt service					7,724,004	-	7,724,004
Other taxes					486	-	486
Intergovernmental revenues not restricted to specific programs					8,327,751	-	8,327,751
Investment income					4,581,663	55,572	4,637,235
Gain on disposal of assets					88,757	-	88,757
Miscellaneous					9,636,999	-	9,636,999
Transfers					(1,832,314)	1,832,314	-
Total general revenues and transfers					<u>81,616,408</u>	<u>1,887,886</u>	<u>83,504,294</u>
Change in net position					4,123,457	1,171,946	5,295,403
Net Position (Deficit), Beginning					<u>(119,241,147)</u>	<u>16,777,864</u>	<u>(102,463,283)</u>
Net Position (Deficit), Ending					<u>\$ (115,117,690)</u>	<u>\$ 17,949,810</u>	<u>\$ (97,167,880)</u>

See notes to financial statements

County of Racine, Wisconsin

Balance Sheet -
Governmental Funds
December 31, 2022

	<u>General</u>	<u>Human Services Fund</u>	<u>Debt Service Fund</u>
Assets			
Cash and investments	\$ 74,752,202	\$ 775	\$ -
Receivables (net):			
Property taxes	53,262,314	-	8,373,300
Delinquent property taxes	13,591,253	-	-
Loans	1,662,113	-	-
Interest and penalties	9,048,954	-	-
Accounts	1,887,927	125,280	-
Due from other governments	2,249,497	4,718,625	-
Due from other funds	-	1,490,416	8,651,216
Inventories	33,050	-	-
Prepaid items	2,472,869	19,429	-
Restricted cash and investments	330,057	-	-
	<u>\$159,290,236</u>	<u>\$ 6,354,525</u>	<u>\$ 17,024,516</u>
Total assets			
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 1,944,613	\$ 1,008,428	\$ -
Accrued liabilities	5,554,228	-	-
Due to other funds	11,915,132	-	-
Unearned revenues	31,871,280	-	-
Deposits	872,439	-	-
	<u>52,157,692</u>	<u>1,008,428</u>	<u>-</u>
Total liabilities			
Deferred Inflows of Resources			
Unavailable revenues	10,591,040	-	-
Unearned revenue	-	-	7,329,309
Property taxes levied for future periods	53,261,481	-	8,373,300
	<u>63,852,521</u>	<u>-</u>	<u>15,702,609</u>
Total deferred inflows of resources			
Fund Balances			
Nonspendable	16,759,285	19,429	-
Restricted	344,649	-	1,321,907
Committed	13,788,468	295,270	-
Assigned	-	5,031,398	-
Unassigned	12,387,621	-	-
	<u>43,280,023</u>	<u>5,346,097</u>	<u>1,321,907</u>
Total fund balances			
Total liabilities, deferred inflows of resources and fund balances	<u>\$159,290,236</u>	<u>\$ 6,354,525</u>	<u>\$ 17,024,516</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 1,140,083	\$ 75,893,060
428,174	62,063,788
-	13,591,253
-	1,662,113
-	9,048,954
5,027	2,018,234
245,801	7,213,923
8,664,103	18,805,735
-	33,050
30,031	2,522,329
<u>357,769</u>	<u>687,826</u>
<u>\$ 10,870,988</u>	<u>\$ 193,540,265</u>
\$ 2,060,838	\$ 5,013,879
-	5,554,228
-	11,915,132
-	31,871,280
-	872,439
<u>2,060,838</u>	<u>55,226,958</u>
-	10,591,040
-	7,329,309
<u>428,174</u>	<u>62,062,955</u>
<u>428,174</u>	<u>79,983,304</u>
19,788	16,798,502
1,780,027	3,446,583
6,302,913	20,386,651
279,248	5,310,646
-	12,387,621
<u>8,381,976</u>	<u>58,330,003</u>
<u>\$ 10,870,988</u>	<u>\$ 193,540,265</u>

See notes to financial statements

County of Racine, Wisconsin

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

Total Fund Balances, Governmental Funds \$ 58,330,003

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	22,587,263
Construction in progress	15,202,995
Other capital assets	202,834,303
Less accumulated depreciation	(120,431,382)
Less internal service fund capital assets, net accumulated depreciation	(10,896,511)

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. 10,591,040

The net pension asset does not relate to current financial resources and is not reported in the governmental funds. 23,062,544

Deferred outflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds. 54,110,163

Deferred inflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds. (96,000,816)

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. 359,066

Internal service funds are reported in the statement of net position as governmental activities. 12,959,996

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	(162,506,971)
Compensated absences	(5,598,948)
Accrued interest	(1,390,656)
Unamortized debt premium	(1,666,850)
Total OPEB liability	(111,085,692)
Claims and judgments	<u>(5,577,237)</u>

Net Position of Governmental Activities \$ (115,117,690)

County of Racine, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2022

	<u>General</u>	<u>Human Services Fund</u>	<u>Debt Service Fund</u>
Revenues			
Taxes	\$ 51,566,706	\$ -	\$ 7,724,004
Intergovernmental	27,337,527	21,899,969	720,788
Public charges for services	-	-	-
Fines and fees	10,273,381	1,888,527	-
Investment income (loss)	4,654,420	-	-
Miscellaneous	668,426	504,339	7,328,966
	<u>94,500,460</u>	<u>24,292,835</u>	<u>15,773,758</u>
Total revenues			
Expenditures			
Current:			
General government	32,196,190	-	-
Public safety	50,612,393	-	-
Health and social services	5,354,429	25,402,690	-
Education and recreation	5,601,451	-	-
Development	2,132,571	-	-
Highways and streets	863,268	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	14,260,000
Interest and fiscal charges	-	-	4,428,250
	<u>96,760,302</u>	<u>25,402,690</u>	<u>18,688,250</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(2,259,842)</u>	<u>(1,109,855)</u>	<u>(2,914,492)</u>
Other Financing Sources (Uses)			
Transfers in	3,944,235	3,892,773	254,833
Transfers out	(6,097,235)	(2,651,507)	(13,028)
Proceeds from sale of capital assets	-	-	-
Debt issued	-	-	2,100,046
Premium on debt issued	-	-	-
	<u>(2,153,000)</u>	<u>1,241,266</u>	<u>2,341,851</u>
Total other financing sources (uses)			
Net change in fund balances	(4,412,842)	131,411	(572,641)
Fund Balances, Beginning	<u>47,692,865</u>	<u>5,214,686</u>	<u>1,894,548</u>
Fund Balances, Ending	<u>\$ 43,280,023</u>	<u>\$ 5,346,097</u>	<u>\$ 1,321,907</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 1,522,842	\$ 60,813,552
6,719,165	56,677,449
469,074	469,074
-	12,161,908
(71,192)	4,583,228
<u>976,267</u>	<u>9,477,998</u>
<u>9,616,156</u>	<u>144,183,209</u>
1,325	32,197,515
-	50,612,393
3,600,420	34,357,539
392,806	5,994,257
-	2,132,571
4,263,070	5,126,338
13,696,795	13,696,795
-	14,260,000
<u>255,060</u>	<u>4,683,310</u>
<u>22,209,476</u>	<u>163,060,718</u>
<u>(12,593,320)</u>	<u>(18,877,509)</u>
7,626,806	15,718,647
(8,585,469)	(17,347,239)
12,584	12,584
10,099,954	12,200,000
<u>368,844</u>	<u>368,844</u>
<u>9,522,719</u>	<u>10,952,836</u>
(3,070,601)	(7,924,673)
<u>11,452,577</u>	<u>66,254,676</u>
<u>\$ 8,381,976</u>	<u>\$ 58,330,003</u>

County of Racine, Wisconsin

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2022

Net Change in Fund Balances, Total Governmental Funds \$ (7,924,673)

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	13,696,795
Some items reported as capital outlay were not capitalized	(3,092,190)
Depreciation is reported in the government-wide financial statements	(5,641,709)
Book value of disposed assets	10,866

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.

1,294,144

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	12,200,000
Principal repaid	(14,260,000)

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	(368,844)
Net amortization of premiums and discounts	286,088

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	673,710
Claims and judgments	299,393
Accrued interest on debt	27,475
Amortization of deferred loss on refunding	(111,917)
Net pension asset and related deferrals	5,660,872
Total OPEB liability and related deferrals	1,904,599

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

(531,152)

Change in Net Position of Governmental Activities \$ 4,123,457

County of Racine, Wisconsin

Statement of Net Position -
 Proprietary Funds
 December 31, 2022

	Business-Type Activities - Enterprise Funds				Total
	Reefpoint Marina	Behavioral Health Services	Pritchard Park	Nonmajor Enterprise Fund - Golf Courses	
Assets					
Current assets:					
Cash and investments	\$ 1,045,976	\$ 600	\$ -	\$ 1,476,707	\$ 2,523,283
Accounts receivable	32,555	19,522	-	29,535	81,612
Due from other governments	-	6,004,507	-	-	6,004,507
Due from other funds	-	-	-	218,003	218,003
Inventories	70,338	-	-	-	70,338
Prepaid items	129	132,738	166	-	133,033
Total current assets	1,148,998	6,157,367	166	1,724,245	9,030,776
Noncurrent assets:					
Restricted asset:					
Net pension asset	-	2,417,447	-	-	2,417,447
Capital assets:					
Land	-	-	-	1,131,761	1,131,761
Construction in progress	-	-	51,859	1,730,519	1,782,378
Buildings	3,962,434	-	7,703,846	2,047,915	13,714,195
Improvements other than buildings	1,175,910	-	4,575,599	4,264,766	10,016,275
Machinery and equipment	313,228	66,438	67,260	-	446,926
Less accumulated depreciation	(1,911,585)	(19,707)	(1,790,037)	(4,784,548)	(8,505,877)
Total noncurrent assets	3,539,987	2,464,178	10,608,527	4,390,413	21,003,105
Total assets	4,688,985	8,621,545	10,608,693	6,114,658	30,033,881
Deferred Outflows of Resources					
Pension related amounts	-	3,690,647	-	-	3,690,647
Total deferred outflows of resources	-	3,690,647	-	-	3,690,647

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ 1,000
79,603

850,668
2,435,592
1,365,126
23,729

4,755,718

1,888,716

-
278,038
7,390,210

2,546,803
15,714,190

(15,032,730)

12,785,227

17,540,945

3,834,984

3,834,984

County of Racine, Wisconsin

Statement of Net Position -
Proprietary Funds
December 31, 2022

	Business-Type Activities - Enterprise Funds				Total
	Reefpoint Marina	Behavioral Health Services	Pritchard Park	Nonmajor Enterprise Fund - Golf Courses	
Liabilities					
Current liabilities:					
Accounts payable	\$ 277,826	\$ 676,806	\$ 56,077	\$ 47,599	\$ 1,058,308
Accrued liabilities	5,744	-	-	-	5,744
Due to other funds	59,975	6,666,382	61,222	-	6,787,579
Grant and user fee advances	896,049	-	-	-	896,049
Current portion of general obligation debt	<u>265,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,000</u>
Total current liabilities	<u>1,504,594</u>	<u>7,343,188</u>	<u>117,299</u>	<u>47,599</u>	<u>9,012,680</u>
Noncurrent liabilities:					
Long-term debt:					
General obligation debt payable	<u>2,390,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,390,507</u>
Total liabilities	<u>3,895,101</u>	<u>7,343,188</u>	<u>117,299</u>	<u>47,599</u>	<u>11,403,187</u>
Deferred Inflows of Resources					
Pension related amounts	-	4,371,531	-	-	4,371,531
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>4,371,531</u>	<u>-</u>	<u>-</u>	<u>4,371,531</u>
Net Position					
Net investment in capital assets	884,479	46,731	10,608,528	4,390,413	15,930,151
Restricted for:					
Pensions	-	2,417,447	-	-	2,417,447
Unrestricted (deficit)	<u>(90,595)</u>	<u>(1,866,705)</u>	<u>(117,134)</u>	<u>1,676,646</u>	<u>(397,788)</u>
Total net position	<u>\$ 793,884</u>	<u>\$ 597,473</u>	<u>\$ 10,491,394</u>	<u>\$ 6,067,059</u>	<u>\$ 17,949,810</u>

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ 192,192
354,794
2,756,619
-
-
3,303,605

13,029
3,316,634

4,702,015
397,284
5,099,299

10,889,795
1,888,716
181,485
\$ 12,959,996

County of Racine, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds				Total
	Reefpoint Marina	Behavioral Health Services	Pritchard Park	Nonmajor Enterprise Fund - Golf Courses	
Operating Revenues					
Public charges for services	\$ 2,139,264	\$ 21,016,934	\$ -	\$ 386,816	\$ 23,543,014
Highway charges and fees	-	-	-	-	-
Miscellaneous revenues	214,961	2,008	719,331	6,224	942,524
Total operating revenues	<u>2,354,225</u>	<u>21,018,942</u>	<u>719,331</u>	<u>393,040</u>	<u>24,485,538</u>
Operating Expenses					
Operations and maintenance	2,140,891	21,883,851	304,795	79,243	24,408,780
Highways and streets	-	-	-	-	-
Depreciation	176,563	5,283	392,787	147,073	721,706
Total operating expenses	<u>2,317,454</u>	<u>21,889,134</u>	<u>697,582</u>	<u>226,316</u>	<u>25,130,486</u>
Operating income (loss)	<u>36,771</u>	<u>(870,192)</u>	<u>21,749</u>	<u>166,724</u>	<u>(644,948)</u>
Nonoperating Revenues (Expenses)					
Investment income	770	-	28,321	26,481	55,572
Interest expense	(70,992)	-	-	-	(70,992)
Loss on disposal of capital assets	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>(70,222)</u>	<u>-</u>	<u>28,321</u>	<u>26,481</u>	<u>(15,420)</u>
Income (loss) before transfers	<u>(33,451)</u>	<u>(870,192)</u>	<u>50,070</u>	<u>193,205</u>	<u>(660,368)</u>
Transfers					
Transfers in	854	777,350	72,780	997,167	1,848,151
Transfers out	-	(15,837)	-	-	(15,837)
Total transfers	<u>854</u>	<u>761,513</u>	<u>72,780</u>	<u>997,167</u>	<u>1,832,314</u>
Change in net position	(32,597)	(108,679)	122,850	1,190,372	1,171,946
Net Position, Beginning	<u>826,481</u>	<u>706,152</u>	<u>10,368,544</u>	<u>4,876,687</u>	<u>16,777,864</u>
Net Position, Ending	<u>\$ 793,884</u>	<u>\$ 597,473</u>	<u>\$ 10,491,394</u>	<u>\$ 6,067,059</u>	<u>\$ 17,949,810</u>

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ -
17,950,375
68,589

18,018,964

-
17,276,854
1,033,450

18,310,304

(291,340)

-
-

(36,090)

(36,090)

(327,430)

2,181,361
(2,385,083)

(203,722)

(531,152)

13,491,148

\$ 12,959,996

County of Racine, Wisconsin

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2022

	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	\$ 2,354,852	\$ 18,848,432	\$ 719,333	\$ 147,512	\$ 22,070,129
Received from interfund services provided	-	-	-	-	-
Customer deposits received	-	-	-	-	-
Paid to suppliers for goods and services	(2,015,561)	(13,841,096)	(768,577)	(76,180)	(16,701,414)
Paid to employees for services	-	(5,725,186)	-	-	(5,725,186)
Net cash flows from operating activities	<u>339,291</u>	<u>(717,850)</u>	<u>(49,244)</u>	<u>71,332</u>	<u>(356,471)</u>
Cash Flows From Investing Activities					
Investment income	<u>770</u>	<u>-</u>	<u>28,321</u>	<u>26,481</u>	<u>55,572</u>
Net cash flows from investing activities	<u>770</u>	<u>-</u>	<u>28,321</u>	<u>26,481</u>	<u>55,572</u>
Cash Flows From Noncapital Financing Activities					
Transfers in	854	777,350	72,780	997,167	1,848,151
Transfers out	<u>-</u>	<u>(15,837)</u>	<u>-</u>	<u>-</u>	<u>(15,837)</u>
Net cash flows from noncapital financing activities	<u>854</u>	<u>761,513</u>	<u>72,780</u>	<u>997,167</u>	<u>1,832,314</u>
Cash Flows From Capital and Related Financing Activities					
Debt retired	(255,000)	-	-	-	(255,000)
Interest payments on debt	(72,237)	-	-	-	(72,237)
Acquisition and construction of capital assets	<u>(63,853)</u>	<u>(43,663)</u>	<u>(51,857)</u>	<u>(1,660,707)</u>	<u>(1,820,080)</u>
Net cash flows from capital and related financing activities	<u>(391,090)</u>	<u>(43,663)</u>	<u>(51,857)</u>	<u>(1,660,707)</u>	<u>(2,147,317)</u>
Net change in cash and cash equivalents	(50,175)	-	-	(565,727)	(615,902)
Cash and Cash Equivalents, Beginning	<u>1,096,151</u>	<u>600</u>	<u>-</u>	<u>2,042,434</u>	<u>3,139,185</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,045,976</u>	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ 1,476,707</u>	<u>\$ 2,523,283</u>

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ 15,752,752
3,179,523
101,029
(13,106,641)
(4,225,524)
1,701,139
-
-
2,181,361
(2,385,083)
(203,722)
-
-
(1,497,417)
(1,497,417)
-
1,000
\$ 1,000

County of Racine, Wisconsin

Statement of Cash Flows -
 Proprietary Funds
 Year Ended December 31, 2022

	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)	\$ 36,771	\$ (870,192)	\$ 21,751	\$ 166,724	\$ (644,946)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	176,563	5,283	392,787	147,075	721,708
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Other accounts receivable	-	(2,200,917)	-	-	(2,200,917)
Customer accounts receivable	-	30,407	-	-	30,407
Receivables from municipality	-	-	-	(245,530)	(245,530)
Prepayments	24,587	(125,931)	6,640	-	(94,704)
Material and supplies	(34,947)	-	-	-	(34,947)
Accounts payable	199,561	(375,338)	26,088	3,063	(146,626)
Payable to municipality	(63,871)	3,652,338	(496,510)	-	3,091,957
Other current liabilities	-	-	-	-	-
Customer deposits	627	-	-	-	627
Deferred inflow of resources	-	-	-	-	-
Pension related deferrals and assets	-	(833,500)	-	-	(833,500)
Receivable from utility	-	-	-	-	-
Net cash flows from operating activities	<u>\$ 339,291</u>	<u>\$ (717,850)</u>	<u>\$ (49,244)</u>	<u>\$ 71,332</u>	<u>\$ (356,471)</u>

See notes to financial statements

**Governmental
Activities -
Internal
Service Funds**

\$ (291,340)

1,072,458

(10,466)

-

622,745

(5,459)

88,550

(38,931)

246,066

32,356

(70,640)

362,407

(416,901)

110,294

\$ 1,701,139

County of Racine, Wisconsin

Statement of Fiduciary Net Position -
Custodial Funds
December 31, 2022

	Custodial Funds
Assets	
Cash and investments	\$ 5,379,456
Delinquent property taxes	2,131,031
Other receivables	<u>189,555</u>
Total assets	<u>7,700,042</u>
Liabilities	
Accounts payable	25,212
Deposits	<u>2,285,419</u>
Total liabilities	<u>2,310,631</u>
Net Position	
Restricted	<u>5,389,411</u>
Total net position	<u><u>\$ 5,389,411</u></u>

See notes to financial statements

County of Racine, Wisconsin

Statement of Changes in Fiduciary Net Position -
Custodial Funds
Year Ended December 31, 2022

	Custodial Funds
Additions	
Miscellaneous	\$ 1,566,726
Total additions	<u>1,566,726</u>
Deductions	
Distributions	<u>1,714,169</u>
Total deductions	<u>1,714,169</u>
Change in fiduciary net position	(147,443)
Net Position, Beginning	<u>5,536,854</u>
Net Position, Ending	<u><u>\$ 5,389,411</u></u>

County of Racine, Wisconsin

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December 31, 2022

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County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the 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

Government-wide Financial Statements

The government-wide financial statements report information on all of the nonfiduciary 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 are 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, 2022

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
- County Central Racine Health
- County Opioid

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

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

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

- Golf Courses

County of Racine, Wisconsin

Notes to Financial Statements
December 31, 2022

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 post-employment benefits and claims and judgments, are recorded only when payment is due.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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 nonoperating 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 nonoperating 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, 2022

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, 2022 the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III.A for further information.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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, 2022.

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

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. 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, 2022

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 assets 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 assets 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 positions 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. Nonspendable – 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 balances 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, 2022

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)

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 \$26,176,089 or 25% 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 2022 adopted budget for the following funds:

General Fund	\$	21,732,365
Debt Service Fund	\$	(254,833)
Capital Project Fund	\$	12,782,852
Central Racine Health Fund	\$	(1,384,678)
County Road Maintenance Fund	\$	5,863,325
Pritchard Fund	\$	2,970,850
Highway Fleet Fund	\$	501,666

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 \$346,658 due to expenditures exceeded funding sources. The deficit is anticipated to be funded with future contributions.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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, 2022:

Petty Cash	\$ 12,635
Demand Deposits	19,947,439
Corporate Bonds	5,514,465
Asset Backed Securities	4,809,457
Mortgage Bonds	13,036,007
Municipal Bonds	1,119,381
U.S. Government Agency Securities	24,782,494
U.S. Treasury Bonds and Notes	10,532,250
Mutual Funds - Bond Funds	353,380
Local Government Investment Pool	4,377,118
Total	<u>\$ 84,484,626</u>
Reconciliation to the financial statements	
Per statement of net position	
Unrestricted cash and investments	\$ 78,417,344
Restricted cash and investments	687,826
Per statement of fiduciary net position	
Custodial Funds	5,379,456
Total Cash and Investments	<u>\$ 84,484,626</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 \$40,400,000 to collateralize deposit accounts held at the bank.

County of Racine, Wisconsin

Notes to Financial Statements
December 31, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (continued)

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. Level 2 market values determined using a quotation service and are not derived from quoted prices each day. The County's investments are categorized as follows as of December 31, 2022:

	Fair Value	Level 1	Level 2	Level 3
Corporate Bonds	\$ 5,514,465	\$ -	\$ 5,514,465	\$ -
Asset Backed Securities	4,809,457	-	4,809,457	-
Mortgage Bonds	13,036,007	-	13,036,007	-
Municipal Securities	1,119,381	-	1,119,381	-
U.S. Government Agency Securities	24,782,494	-	24,782,494	-
U.S. Treasury Bonds and Notes	10,532,250	10,532,250	-	-
Mutual Funds - Bond Funds	353,380	353,380	-	-
Total	<u>\$ 60,147,434</u>	<u>\$ 10,885,630</u>	<u>\$ 49,261,804</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, 2022, all of the County's demand deposits were insured or fully collateralized.

As of December 31, 2022, the County's following investments were held by the counterparty in the County's name.

	Fair Value
Corporate Bonds	\$ 5,514,465
Asset Backed Securities	4,809,457
Mortgage Bonds	13,036,007
U.S. Government Agency Securities	1,119,381
U.S. Treasury Bonds and Notes	24,782,494
Mutual Funds - Bond Funds	10,532,250
Local Government Investment Pool	353,380
Total	<u>\$ 60,147,434</u>

County of Racine, Wisconsin

Notes to Financial Statements
December 31, 2022

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 the Finance and Human Resources Committee of the Board of Supervisors. 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	\$ 5,514,465	\$ 1,330,635	\$ 2,989,049	\$ 1,194,781	\$ -
Asset Backed Securities	4,809,457	-	2,587	-	117,856
Mortgage Bonds	13,036,007	-	-	-	-
Municipal Securities	1,119,381	-	1,119,381	-	-
U.S. Government Agency Securities	24,782,494	6,670,352	15,380,021	2,732,121	-
U.S. Treasury Bonds and Notes	10,532,250	10,532,250	-	-	-
Mutual Funds - Bond Funds	353,380	-	-	-	353,380
	<u>\$ 60,147,434</u>	<u>\$ 18,533,237</u>	<u>\$ 19,491,038</u>	<u>\$ 3,926,902</u>	<u>\$ 471,236</u>

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, 2022, the County's investments were rated by Moody's Investors Service as follows:

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (continued)

Concentration of Credit Risk

	<u>Fair Value</u>	<u>Average Moody's Rating</u>
Corporate Bonds	\$ 2,752,155	Aa2
Corporate Bonds	1,523,261	Aa3
Corporate Bonds	822,218	A1
Corporate Bonds	416,831	Aaa
Municipal Bonds	1,119,381	Aaa
Asset Backed Securities	4,809,457	Aaa
Mortgage Bonds	13,036,007	Aaa
U.S. Government Agency Securities	24,782,494	Aaa
U.S. Treasury Bonds and Notes	10,532,250	Aaa
Mutual Funds - Bond Funds	353,380	Not Rated
Local Government Investment Pool	4,377,118	Not Rated

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 Corporation	Mortgage Bonds	12.7%
Federal National Mortgage Association	Mortgage Bonds and U.S. Government Agency Securities	8.6%
Federal Home Loan Banks	Government Agency Securities	30.2%
Federal Farm Credit Bank	Government Agency Securities	5.4%

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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, 2022, 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			
2021	\$ 3,680,458	\$ 552,069	\$ 3,128,389
2020	2,263,763	348,502	1,915,261
2019	1,376,685	211,938	1,164,747
2018	1,057,816	162,849	894,967
2017	971,666	149,586	822,080
2016	822,318	126,594	695,724
2015	764,585	159,221	605,364
2014	652,050	122,360	529,690
2013 and prior	1,451,284	174,148	1,277,136
Tax deeds	<u>884,044</u>	<u>60,782</u>	<u>823,262</u>
Total Delinquent Property Taxes Receivable	13,924,669	2,068,049	11,856,620
Less Allowance	<u>(333,416)</u>	<u>-</u>	<u>(333,416)</u>
Net Delinquent Property Taxes Receivable	<u>\$ 13,591,253</u>	<u>\$ 2,068,049</u>	<u>\$ 11,523,204</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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, 2022 is \$125,000.

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 \$2,346,882 was forgiven during 2021 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 was due September 1, 2022. In October 2022 the County granted a six-month extension that is due on March 1, 2023.

Other Loans

The County has disbursed other loans out of which \$537,295 were outstanding as of December 31, 2022. Interest rates range from 0% to 2%. Repayments are due 2023 through 2025.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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	\$ -	\$ 62,062,955	\$ 62,062,955
Delinquent property taxes receivable	1,542,086	-	1,542,086
Delinquent property taxes interest receivable	9,048,954	-	9,048,954
Grants received prior to meeting all eligibility requirements	-	31,726,562	-
Revenues received for subsequent year	-	<u>7,474,027</u>	<u>7,474,027</u>
Total unavailable/unearned revenue for governmental funds	<u>\$10,591,040</u>	<u>\$ 101,263,544</u>	<u>\$ 80,128,022</u>
Unearned revenue included in liabilities		\$ 31,871,280	
Unearned revenue included in deferred inflows		<u>69,392,264</u>	
Total unearned revenue for governmental funds		<u>\$ 101,263,544</u>	

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Restricted Assets

The following represent the balances of the restricted assets:

Lawcon Account

This account is used to report resources set aside for future recreational land acquisitions. The balance of this account is \$330,057 on December 31, 2022.

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 \$357,769 on December 31, 2022.

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 \$27,368,707 at December 31, 2022.

County of Racine, Wisconsin

Notes to Financial Statements
December 31, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

Capital asset activity for the year ended December 31, 2022 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	\$ 22,587,263	\$ -	\$ -	\$ 22,587,263
Construction in progress	9,110,005	7,817,025	(1,724,035)	15,202,995
Total capital assets, not being depreciated	<u>31,697,268</u>	<u>7,817,025</u>	<u>(1,724,035)</u>	<u>37,790,258</u>
Capital assets, being depreciated:				
Buildings	74,280,875	218,949	-	74,499,824
Improvements other than buildings	22,688,927	813,820	-	23,502,747
Machinery and equipment	39,342,050	4,477,554	(329,359)	43,490,245
Infrastructure	60,898,328	443,159	-	61,341,487
Total capital assets, being depreciated	<u>197,210,180</u>	<u>5,953,482</u>	<u>(329,359)</u>	<u>202,834,303</u>
Less accumulated depreciation for:				
Buildings	(39,783,363)	(1,559,874)	-	(41,343,237)
Improvements other than buildings	(13,095,910)	(914,573)	-	(14,010,483)
Machinery and equipment	(30,409,362)	(2,159,023)	298,943	(32,269,442)
Infrastructure	(30,604,689)	(2,203,531)	-	(32,808,220)
Total accumulated depreciation	<u>(113,893,324)</u>	<u>(6,837,001)</u>	<u>298,943</u>	<u>(120,431,382)</u>
Total capital assets being depreciated, net	<u>83,316,856</u>	<u>(883,519)</u>	<u>(30,416)</u>	<u>82,402,921</u>
Total capital assets, net	<u>\$ 115,014,124</u>	<u>\$ 6,933,506</u>	<u>\$(1,754,451)</u>	<u>\$ 120,193,179</u>

County of Racine, Wisconsin

Notes to Financial Statements
December 31, 2022

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	4,964,168	1,712,566	(4,894,356)	1,782,378
Total capital assets, not being depreciated	<u>6,095,929</u>	<u>1,712,566</u>	<u>(4,894,356)</u>	<u>2,914,139</u>
Capital assets, being depreciated:				
Buildings	8,819,839	4,894,356	-	13,714,195
Improvements other than buildings	10,016,275	-	-	10,016,275
Machinery and equipment	339,409	107,517	-	446,926
Total capital assets, being depreciated	<u>19,175,523</u>	<u>5,001,873</u>	<u>-</u>	<u>24,177,396</u>
Less accumulated depreciation for:				
Buildings	(2,507,505)	(307,935)	-	(2,815,440)
Improvements other than buildings	(5,028,096)	(389,662)	-	(5,417,758)
Machinery and equipment	(248,567)	(24,112)	-	(272,679)
Total accumulated depreciation	<u>(7,784,168)</u>	<u>(721,709)</u>	<u>-</u>	<u>(8,505,877)</u>
Total capital assets being depreciated, net	<u>11,391,355</u>	<u>4,280,164</u>	<u>-</u>	<u>15,671,519</u>
Total capital assets, net	<u>\$ 17,487,284</u>	<u>\$ 5,992,730</u>	<u>\$ (4,894,356)</u>	<u>\$ 18,585,658</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General government	\$ 560,654
Public safety	1,618,561
Health and social services	465,210
Education and recreation	756,969
Highways and streets	3,425,967
Development	<u>9,640</u>

Total depreciation expenses - governmental activities

\$6,837,001

Business-type activities:

Behavioral Health Services	\$ 5,283
Pritchard Park	392,790
Reefpoint Marina	176,563
Golf Courses	<u>147,073</u>

Total depreciation expenses - business-type activities

\$ 721,709

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2022 is as follows:

	Cash Held By General Fund For Other Funds
General Fund	\$ (11,915,132)
Human Services Fund	1,490,416
Debt Service Fund	8,651,216
Nonmajor Governmental Fund	
Special Revenue Funds	
County Road Maintenance Fund	662,869
County Handicapped Education Fund	959,211
County Bridge Aids Fund	80,635
Central Racine Health	363,008
OPIOID	1,515,781
Capital Project Fund	5,007,876
Permanent Fund	74,723
Enterprise Funds	
Reefpoint Marina	(59,975)
Behavioral Health Services	(6,666,382)
Pritchard Park	(61,222)
Nonmajor Enterprise Fund	
Golf Courses	218,003
Internal Services Fund	
Billable	(2,756,619)
Fringe Benefits	554,636
Fleet	1,880,956
Total	<u>\$ -</u>
Total Interfund Cash Advance	
Receivables/Payable (Net)	\$ 21,459,330
Less: fund eliminations	(14,568,727)
Less: government-wide eliminations	(321,027)
Internal Balances - Government-Wide	
Financial Statements	<u>\$ 6,569,576</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, 2022

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	Fleet Internal Service	\$ 769,728
	Human Service	2,651,507
	County Road Maintenance Fund	500,000
	Capital Projects Fund	23,000
		<u>3,944,235</u>
Debt Service	Capital Projects Fund	<u>254,833</u>
Human Services Fund	General Fund	<u>3,892,773</u>
Nonmajor Enterprise Fund - Golf	Capital Projects Fund	<u>997,167</u>
Marina	Behavioral Health Services	<u>854</u>
Pritchard	General Fund	<u>72,780</u>
Behavioral Health Services	General Fund	<u>777,350</u>
Nonmajor Governmental Funds		
Capital Projects Fund	General Fund	70,604
Capital Projects Fund	County Road Maintenance Fund	457,302
Capital Projects Fund	Behavioral Health Services	14,983
County Road Maintenance	Capital Projects Fund	4,184,834
Capital Projects Fund	Fleet Internal Service	499,802
County Road Maintenance	Fleet Internal Service	1,115,553
County Road Maintenance	General Fund	1,283,728
		<u>7,626,806</u>
Internal Service Funds		
Fleet Internal Service	Debt Service Fund	13,028
Fleet Internal Service	Capital Projects Fund	2,168,333
		<u>2,181,361</u>
Total transfers from other funds		19,748,159
Less fund eliminations		(13,349,401)
Less government-wide eliminations		(4,566,444)
Total Interfund Transfers - Government-Wide Statement of Net Position		<u>\$ 1,832,314</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities					
General obligation debt:					
Notes payable	\$ 12,780,000	\$ -	\$ 6,650,000	\$ 6,130,000	\$ 2,205,000
Bonds payable	151,800,000	12,200,000	7,610,000	156,390,000	9,235,000
Total general obligation debt	164,580,000	12,200,000	14,260,000	162,520,000	11,440,000
Bond premium (discount)	1,584,094	368,844	286,088	1,666,850	-
Net general obligation debt	166,164,094	12,568,844	14,546,088	164,186,850	11,440,000
Compensated absences	4,925,237	5,080,256	4,406,546	5,598,947	4,406,545
Net OPEB liability	143,914,360	-	32,828,668	111,085,692	-
Claims and judgements	5,875,630	1,506,032	1,805,425	5,576,237	-
Governmental activity Long-term liabilities	<u>\$ 320,879,321</u>	<u>\$ 19,155,132</u>	<u>\$ 53,586,727</u>	<u>\$ 286,447,726</u>	<u>\$ 15,846,545</u>
Business-type activities					
General obligation debt					
Bonds payable	\$ 2,905,000	-	\$ 255,000	\$ 2,650,000	\$ 265,000
Bond premium (discount)	6,161	-	654	5,507	-
Business-type activity Long-term liabilities	<u>\$ 2,911,161</u>	<u>\$ -</u>	<u>\$ 255,654</u>	<u>\$ 2,655,507</u>	<u>\$ 265,000</u>

County of Racine, Wisconsin

Notes to Financial Statements
December 31, 2022

III. DETAILED NOTES ON ALL FUNDS

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
2023	\$ 11,440,000	\$ 4,262,606	\$ 265,000	\$ 66,706
2024	11,550,000	4,001,894	270,000	60,688
2025	10,755,000	3,745,953	275,000	54,212
2026	10,990,000	3,481,767	285,000	47,212
2027	9,790,000	3,234,127	295,000	39,962
2028-2032	50,250,000	12,481,603	1,260,000	75,563
2033-2037	43,185,000	6,135,670	-	-
2038-2039	14,560,000	725,037	-	-
Total	\$ 162,520,000	\$ 38,068,657	\$ 2,650,000	\$ 344,343

The detail of the general obligation debt is as follows:

	Date of issue	Final maturity	Interest rates	Original Amount	Balance 12/31/22
General Obligation Notes					
Series 2013	3/19/2013	3/1/2023	2.0%-3.0%	\$ 6,000,000	\$ 970,000
Series 2015A	6/15/2015	3/1/2025	2.0%-2.25%	5,535,000	2,100,000
Series 2021A	2/25/2021	3/1/2030	1.0% - 1.125%	3,050,000	2,725,000
Taxable General Obligation Notes					
Series 2012	4/17/2012	3/1/2022	0.45%-3.00%	10,200,000	2,650,000
Series 2013	3/19/2013	3/1/2023	0.50%-2.59%	1,020,000	110,000
Series 2014	4/15/2014	3/1/2024	0.70%-3.52%	1,025,000	225,000
General Obligation Bonds					
Series 2013 Refunding Bonds	3/19/2013	3/1/2026	2.0%-4.0%	14,880,000	5,315,000
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	2,690,000
Series 2017B Taxable GO corp purp bonds	6/13/2017	6/1/2032	2.75%-3.30%	7,035,000	6,020,000
Series 2018A Taxable GO corp purp bonds	9/18/2018	3/1/2033	2.00%-3.25%	6,050,000	5,460,000
Series 2019C Gen Ob Highway Bonds	12/19/2019	3/1/2039	2.00%-3.00%	4,620,000	4,415,000
Series 2019B - Tax Gen Ob Refunding Foxcon	11/12/2019	9/1/2039	1.851%-3.378%	110,000,000	96,150,000
Series 2019A - Gen OB Corp Purp Bonds	9/12/2019	3/1/2034	2.00%-3.00%	4,950,000	4,340,000
Series 2020A - Gen Ob Corporate Purpose	5/20/2020	3/1/2035	2.00%-3.00%	6,845,000	6,595,000
Series 2021B - Gen Ob Corporate Purpose	4/22/2022	3/1/2030	1.0% - 2.0%	5,200,000	5,200,000
Series 2021C - Gen Ob Corporate Purpose	4/22/2022	3/1/2030	1.850% - 2.150%	4,795,000	4,795,000
Series 2022A - Gen Ob Corporate Purpose	3/23/2022	3/1/2037	1.0%-3.0%	11,160,000	11,160,000
Series 2022B - Gen Ob Corporate Purpose	3/23/2022	3/1/2027	2%	1,040,000	1,040,000
Total General Obligation debt					165,170,000
Less amount applicable to business-type activities					(2,650,000)
Governmental activities General Obligation debt					\$ 162,520,000

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, 2022

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, 2022, the County's debt margin and legal debt limit is calculated as follows:

Equalized Value of Real and Personal Property		\$ 21,791,712,500
		5%
Debt Limit, 5% of Equalized Valuation		1,089,585,625
Amount of Debt Applicable to Debt Limitation:		
General Obligation Debt	\$ 165,170,000	
Less Debt Service Funds	(1,321,907)	
Total Amount of Debt Applicable to Debt Margin		163,848,093
Legal Debt Margin (Debt Capacity)		\$ 925,737,532

On March 23, 2022, the County issued \$11,160,000 in general obligation bonds with an average coupon rate of 2.56% of which a portion was to refund \$1,860,000 of outstanding notes with an average coupon rate of 3.00%. A portion of the bond proceeds along with existing funds of the County were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$1,923,250 from 2022 through 2024. The cash flow requirements on the refunding bonds are \$1,886,813 from 2022 through 2024. The current refunding resulted in an economic gain of \$35,668.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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, 2022 is as follows:

Governmental Activities

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 120,193,179
Less: outstanding long-term debt (net of debt premiums, discounts, and loss on refunding)	(163,827,784)
Less: capital accounts payable	(1,388,744)
Plus: noncapital related long-term debt	110,210,000
Plus: unspent bond proceeds	<u>9,397,203</u>
Total net investment in capital assets	<u>\$ 74,583,854</u>

Business-type Activities

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 18,585,658
Less: outstanding long-term debt (net of debt premiums and discounts)	<u>(2,655,507)</u>
Total net investment in capital assets	<u>\$ 15,930,151</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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, 2022 are as follows:

Nonspendable

Major Funds	
General Fund	
Delinquent property taxes	\$ 13,591,253
Prepayments and inventories	2,505,919
Noncurrent receivables	662,113
Special Revenue Fund - Human Services Fund	
Prepayments and inventories	19,429
Nonmajor Fund	
Special Revenue Fund - Public Health Fund	19,788
Total nonspendable fund balance	<u>16,798,502</u>

Restricted

Major Funds	
General Fund - Recreational land acquisition	344,649
Debt Service Fund - Debt service	1,321,907
Nonmajor Funds	
Special Revenue Fund - County Opioid	1,515,781
Special Revenue Fund - Permanent fund endowments	264,246
Total restricted fund balance	<u>3,446,583</u>

Committed

Major Funds	
General Fund - Nonlapsing and encumbrances	13,788,468
Special Revenue Fund - Human Services Fund	295,270
Nonmajor Funds	
Special Revenue Fund - County Handicapped Board	959,211
Special Revenue Fund - County Bridge Aids	80,635
Special Revenue Fund - Public Health	293,515
Capital Projects Fund - Capital Projects	4,801,306
Special Revenue Fund - Permanent fund endowments	168,246
Total committed fund balance	<u>\$ 20,386,651</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Fund Balances (continued)

Assigned

Major Fund	
Human Services Fund - Nonlapsing and encumbrances	\$5,031,398
Nonmajor Fund	
Special Revenue Fund – County Central Racine Health	<u>279,248</u>
Total assigned fund balance	<u>\$5,310,646</u>

Unassigned

Major Fund - General Fund	<u>\$12,387,621</u>
Total fund balance	<u>\$58,330,003</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, 2022. 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, 2022

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>2022</u>	<u>2021</u>
Unpaid claims - beginning	\$ 5,876,630	\$ 5,890,791
Incurred claims	1,506,032	1,885,230
Claims paid	(1,805,425)	(1,899,391)
Unpaid claims - ending	<u>\$ 5,577,237</u>	<u>\$ 5,876,630</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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:

	<u>2022</u>	<u>2021</u>
Unpaid claims - beginning	\$ 2,141,017	\$ 1,662,033
Incurred claims	13,699,815	14,752,427
Claims paid	(13,746,636)	(14,273,443)
Unpaid claims - ending	<u>\$ 2,094,196</u>	<u>\$ 2,141,017</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 Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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, 2022

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>
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)
2020	1.7	21.0
2021	5.1	13.0

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 \$4,158,165 in contributions from the County.

County of Racine, Wisconsin

Notes to Financial Statements
December 31, 2022

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Contribution rates for the plan year reported as of December 31, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At December 31, 2022, the County reported an asset of \$27,368,707 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the County's proportion was 0.33955437% which was an increase of 0.01641298% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the County recognized pension expense of \$(2,783,411).

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Summary of deferred outflows and inflows		
Differences between projected and actual experiences	\$ 44,212,763	\$ 3,188,215
Changes of actuarial assumptions	5,106,064	-
Net differences between projected and actual investment earnings on pension plan investment	-	61,226,073
Changes in proportion and differences between employer contributions and proportionate share of contributions	146,068	61,186
Employer contributions subsequent to the measurement date	4,589,383	-
Totals	<u>\$ 54,054,278</u>	<u>\$ 64,475,474</u>

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

\$4,589,383 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, 2023. 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	
2023	\$ (1,229,313)
2024	(7,387,822)
2025	(3,251,678)
2026	(3,141,769)

Actuarial assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2020 Mortality Table
Post-retirement Adjustments*:	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% 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, 2022

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 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	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	(0.2)
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund	115	6.6	4
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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, 2022

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Single discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 municipal bond 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 6.8%, 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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
County's proportionate share of the net pension liability (asset)	\$ 19,420,038	\$ (27,368,707)	\$ (61,047,897)

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, 2022, 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, 2022

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>
Nonrepresented	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, 2022

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, 2021, the following employees were covered by the benefit terms:

Active plan members	923
Retired plan members	738
	<u>1,661</u>

2. Total OPEB Liability

The County's total OPEB liability of \$111,085,692 was measured as of December 31, 2022 and was determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 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	4.31% as of December 31, 2022 and 2.25% as of January 1, 2022
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	Pub-2010 General Total Dataset Headcount-weighted Mortality Table fully generational using Scale MP-2021

County of Racine, Wisconsin

Notes to Financial Statements
December 31, 2022

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefits (continued)

3. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/21	\$ 143,914,360
Changes for the year:	
Service cost	3,131,015
Interest	3,228,682
Changes in assumptions	(26,768,538)
Differences between expected and actual experience	(5,283,297)
Benefit payments	(7,136,530)
Net changes	<u>(32,828,668)</u>
Balance at 12/31/22	<u>\$ 111,085,692</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 (3.31%) or 1-percentage-point higher (5.31%) than the current discount rate:

	<u>1% Decrease (3.31%)</u>	<u>Current (4.31%)</u>	<u>1% Increase (5.31%)</u>
Total OPEB Liability	\$ 122,904,551	\$ 111,085,692	\$ 100,996,794

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 (6.00% decreasing 0.5% annually to 3.5%) or 1-percentage-point higher (8.0% decreasing by 0.5% annually to 5.5%) than the current discount rate:

	<u>1% Decrease (6.0% decreasing to 3.5%)</u>	<u>Current (7.0% decreasing to an ultimate rate of 4.5%)</u>	<u>1% Increase (8.0% decreasing to 5.5%)</u>
Total OPEB Liability	\$ 99,594,100	\$ 111,085,692	\$ 124,652,901

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

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, 2022, the County recognized OPEB expense of \$5,231,931. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Summary of deferred outflows and inflows		
Differences between projected and actual experiences	\$ -	\$ 17,564,040
Changes of actuarial assumptions	7,581,516	23,034,848
Totals	<u>\$ 7,581,516</u>	<u>\$ 40,598,888</u>

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

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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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections*
- Statement No. 101, *Compensated Absences*

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.

County of Racine, Wisconsin

Notes to Financial Statements

December 31, 2022

IV. OTHER INFORMATION (CONTINUED)

H. Subsequent Events

The County issued \$8,235,000 General Obligation Corporate Purpose Bonds, Series 2023A in March of 2023 for the public purposes of paying the cost of highway projects, County building and facilities projects, park improvement projects, Sheriff's Office projects and other projects included in the County's 2023 Capital Improvement Plan. The Bonds mature on March 1, 2038. Interest rates range from 2-4% over the repayment schedule.

The County issued \$1,650,000 General Obligation Promissory Notes, Series 2023B in March of 2023 for public purposes, including paying the cost of Pritchard Park improvement projects and expanding the Human Service Department's training grounds. The Notes mature on March 1, 2033. Interest rates are 4% over the repayment schedule.

The County issued \$3,125,000 General Obligation Promissory Notes, Series 2023C in July of 2023 for public purposes, including paying the cost of capital equipment, vehicles, park improvement projects, and building upgrades and improvements. The Notes mature on March 1, 2028. Interest rates are not to exceed 5.5% over the repayment schedule.

REQUIRED SUPPLEMENTARY INFORMATION

County of Racine, Wisconsin

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 51,206,922	\$ 51,206,922	\$ 51,566,706	\$ 359,784
Intergovernmental	21,582,343	25,442,866	27,337,527	1,894,661
Fines and fees	9,750,071	9,856,694	10,273,381	416,687
Investment income	3,895,000	3,995,025	4,654,420	659,395
Miscellaneous revenues	205,500	291,501	668,426	376,925
	<u>86,639,836</u>	<u>90,793,008</u>	<u>94,500,460</u>	<u>3,707,452</u>
Total revenues				
Expenditures				
Current:				
General government	22,080,882	39,772,106	32,196,190	7,575,916
Public safety	47,330,960	49,501,863	50,612,393	(1,110,530)
Health and social services	4,821,884	7,176,932	5,354,429	1,822,503
Education and recreation	5,400,282	6,296,511	5,601,451	695,060
Conservation and development	1,695,724	1,808,258	2,132,571	(324,313)
Highway and streets	306,473	508,043	863,268	(355,225)
	<u>81,636,205</u>	<u>105,063,713</u>	<u>96,760,302</u>	<u>8,303,411</u>
Total expenditures				
Excess of revenues over expenditures	<u>5,003,631</u>	<u>(14,270,705)</u>	<u>(2,259,842)</u>	<u>12,010,863</u>
Other Financing Sources (Uses)				
Transfers in	129,000	1,023,000	3,944,235	2,921,235
Transfers out	<u>(325,000)</u>	<u>(6,026,631)</u>	<u>(6,097,235)</u>	<u>(70,604)</u>
Total other financing sources (uses)	<u>(196,000)</u>	<u>(5,003,631)</u>	<u>(2,153,000)</u>	<u>2,850,631</u>
Net change in fund balance	4,807,631	(19,274,336)	(4,412,842)	14,861,494
Fund Balance, Beginning	<u>47,692,865</u>	<u>47,692,865</u>	<u>47,692,865</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 52,500,496</u>	<u>\$ 28,418,529</u>	<u>\$ 43,280,023</u>	<u>\$ 14,861,494</u>

See notes to required supplementary information

County of Racine, Wisconsin

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Human Services Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 22,214,216	\$ 23,592,009	\$ 21,899,969	\$ (1,692,040)
Fines and fees	2,827,957	2,827,957	1,888,527	(939,430)
Miscellaneous	66,075	105,670	504,339	398,669
Total revenues	<u>25,108,248</u>	<u>26,525,636</u>	<u>24,292,835</u>	<u>(2,232,801)</u>
Expenditures				
Current:				
Health and social services	<u>28,958,767</u>	<u>35,232,236</u>	<u>25,402,690</u>	<u>9,829,546</u>
Total expenditures	<u>28,958,767</u>	<u>35,232,236</u>	<u>25,402,690</u>	<u>9,829,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,850,519)</u>	<u>(8,706,600)</u>	<u>(1,109,855)</u>	<u>7,596,745</u>
Other Financing Sources (Uses)				
Transfers in	3,892,773	3,892,773	3,892,773	-
Transfers out	<u>-</u>	<u>-</u>	<u>(2,651,507)</u>	<u>(2,651,507)</u>
Total other financing sources (uses)	<u>3,892,773</u>	<u>3,892,773</u>	<u>1,241,266</u>	<u>(2,651,507)</u>
Net change in fund balance	42,254	(4,813,827)	131,411	4,945,238
Fund Balance, Beginning	<u>5,214,686</u>	<u>5,214,686</u>	<u>5,214,686</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,256,940</u>	<u>\$ 400,859</u>	<u>\$ 5,346,097</u>	<u>\$ 4,945,238</u>

See notes to required supplementary information

County of Racine

Required Supplementary Information
Schedule of Changes in Total OPEB Liability
Year Ended December 31, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability:					
Service cost	\$ 2,738,854	\$ 2,612,329	\$ 3,230,644	\$ 2,908,132	\$ 3,131,015
Interest	7,056,535	7,213,774	6,639,558	3,230,928	3,228,682
Changes in benefit terms	-	(369,407)	(49,545,136)	-	-
Changes in assumptions	(13,297,058)	8,242,782	(22,511,911)	(1,212,889)	(26,768,538)
Difference between expected and actual experience	(11,243,287)	17,972,900	18,953,787	(6,927,546)	(5,283,297)
Benefit payments	(7,672,898)	(7,996,888)	(8,270,721)	(7,119,451)	(7,136,530)
	<u>(22,417,854)</u>	<u>27,675,490</u>	<u>(51,503,779)</u>	<u>(9,120,826)</u>	<u>(32,828,668)</u>
Net change in total OPEB liability					
Total OPEB Liability, Beginning	<u>199,281,329</u>	<u>176,863,475</u>	<u>204,538,965</u>	<u>153,035,186</u>	<u>143,914,360</u>
Total OPEB Liability, Ending	<u>\$ 176,863,475</u>	<u>\$ 204,538,965</u>	<u>\$ 153,035,186</u>	<u>\$ 143,914,360</u>	<u>\$ 111,085,692</u>

*** No assets are accumulated in a trust that meets the criteria to pay related benefits for the OPEB plan.

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, 2022

<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 %
12/31/20	0.32314139 %	(20,174,165)	47,684,934	42.31 %	105.26 %
12/31/21	0.33955437 %	(27,368,707)	51,819,879	52.82 %	106.02 %

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2022

<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 %
12/31/21	4,146,494	4,146,494	-	51,819,880	8.00 %
12/31/22	4,589,383	4,589,383	-	58,691,469	7.82 %

See notes to the required supplementary information

County of Racine, Wisconsin

Notes to Required Supplementary Information
Year Ended December 31, 2022

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 2022 adopted budget for the following funds:

General Fund	\$ 21,732,365
Debt Service Fund	\$ (254,833)
Capital Project Fund	\$ 12,782,852
Central Racine Health Fund	\$ (1,384,678)
County Road Maintenance Fund	\$ 5,863,325
Pritchard Fund	\$ 2,970,850
Highway Fleet Fund	\$ 501,666

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. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

County of Racine, Wisconsin

Notes to Required Supplementary Information
Year Ended December 31, 2022

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

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. There is no change for benefit terms.

Changes in assumptions. The discount rate changed to 4.31% as of December 31, 2022 compared to 2.25% as of December 31, 2021.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

The County Central Racine Health Fund accounts for the revenue sources that are legally restricted to expenditures for public health operations.

The County Opioid Fund accounts for the revenue sources that are legally restricted to expenditures for opioid abatement as outlined in the settlement agreement.

Capital Project Fund

The Capital Project 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

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

County of Racine, Wisconsin

Combining Balance Sheet -
 Nonmajor Governmental Funds
 December 31, 2022

	Special Revenue Funds			
	County Road Maintenance	County Handicapped Education	County Bridge Aids	County Central Racine Health
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ 200
Receivables:				
Property taxes	-	405,000	23,174	-
Accounts	-	-	-	5,027
Due from other governments	-	-	-	213,753
Due from other funds	662,869	959,211	80,635	363,008
Restricted cash and investments	-	-	-	-
Prepaid items	-	-	-	19,788
	<u>662,869</u>	<u>1,364,211</u>	<u>103,809</u>	<u>601,776</u>
Total assets	<u>\$ 662,869</u>	<u>\$ 1,364,211</u>	<u>\$ 103,809</u>	<u>\$ 601,776</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 662,869	\$ -	\$ -	\$ 9,225
	<u>662,869</u>	<u>-</u>	<u>-</u>	<u>9,225</u>
Total liabilities	<u>662,869</u>	<u>-</u>	<u>-</u>	<u>9,225</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	-	405,000	23,174	-
	<u>-</u>	<u>405,000</u>	<u>23,174</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>405,000</u>	<u>23,174</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	19,788
Restricted	-	-	-	-
Committed	-	959,211	80,635	293,515
Assigned	-	-	-	279,248
	<u>-</u>	<u>959,211</u>	<u>80,635</u>	<u>592,551</u>
Total fund balances	<u>-</u>	<u>959,211</u>	<u>80,635</u>	<u>592,551</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 662,869</u>	<u>\$ 1,364,211</u>	<u>\$ 103,809</u>	<u>\$ 601,776</u>

Special Revenue Funds			
County Opioid	Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
\$ -	\$ 1,139,883	\$ -	\$ 1,140,083
-	-	-	428,174
-	-	-	5,027
-	32,048	-	245,801
1,515,781	5,007,876	74,723	8,664,103
-	-	357,769	357,769
-	10,243	-	30,031
<u>\$ 1,515,781</u>	<u>\$ 6,190,050</u>	<u>\$ 432,492</u>	<u>\$ 10,870,988</u>

<u>\$ -</u>	<u>\$ 1,388,744</u>	<u>\$ -</u>	<u>\$ 2,060,838</u>
<u>-</u>	<u>1,388,744</u>	<u>-</u>	<u>2,060,838</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>428,174</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>428,174</u>
-	-	-	19,788
1,515,781	-	264,246	1,780,027
-	4,801,306	168,246	6,302,913
-	-	-	279,248
<u>1,515,781</u>	<u>4,801,306</u>	<u>432,492</u>	<u>8,381,976</u>
<u>\$ 1,515,781</u>	<u>\$ 6,190,050</u>	<u>\$ 432,492</u>	<u>\$ 10,870,988</u>

County of Racine, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2022

	Special Revenue Funds			
	County Road Maintenance	County Handicapped Education	County Bridge Aids	County Central Racine Health
Revenues				
Taxes	\$ -	\$ 407,260	\$ 11,587	\$ 1,103,995
Intergovernmental	2,491,796	-	-	1,747,897
Public charges for services	-	-	-	375,457
Investment income (loss)	-	-	-	-
Miscellaneous	354	-	-	965,493
Total revenues	2,492,150	407,260	11,587	4,192,842
Expenditures				
Current:				
General government	-	-	-	-
Education and recreation	-	336,451	-	-
Highways and streets	4,263,070	-	-	-
Health and human services	-	-	-	3,600,420
Capital outlay	5,571,857	-	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	9,834,927	336,451	-	3,600,420
Excess (deficiency) of revenues over expenditures	(7,342,777)	70,809	11,587	592,422
Other Financing Sources (Uses)				
Transfers in	6,584,115	-	-	-
Transfers out	(957,302)	-	-	-
Proceeds from sale of assets	-	-	-	-
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Total other financing sources (uses)	5,626,813	-	-	-
Net change in fund balances	(1,715,964)	70,809	11,587	592,422
Fund Balances, Beginning	1,715,964	888,402	69,048	129
Fund Balances, Ending	\$ -	\$ 959,211	\$ 80,635	\$ 592,551

Special Revenue Funds		Total Nonmajor Governmental Funds	
County Opioid	Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,522,842
1,515,781	963,691	-	6,719,165
-	-	93,617	469,074
-	804	(71,996)	(71,192)
-	10,420	-	976,267
<u>1,515,781</u>	<u>974,915</u>	<u>21,621</u>	<u>9,616,156</u>
-	-	1,325	1,325
-	-	56,355	392,806
-	-	-	4,263,070
-	-	-	3,600,420
-	8,124,938	-	13,696,795
-	255,060	-	255,060
-	8,379,998	57,680	22,209,476
<u>1,515,781</u>	<u>(7,405,083)</u>	<u>(36,059)</u>	<u>(12,593,320)</u>
-	1,042,691	-	7,626,806
-	(7,628,167)	-	(8,585,469)
-	12,584	-	12,584
-	10,099,954	-	10,099,954
-	368,844	-	368,844
-	3,895,906	-	9,522,719
1,515,781	(3,509,177)	(36,059)	(3,070,601)
-	8,310,483	468,551	11,452,577
<u>\$ 1,515,781</u>	<u>\$ 4,801,306</u>	<u>\$ 432,492</u>	<u>\$ 8,381,976</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, 2022

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,870,011	\$ 4,870,011	\$ 2,491,796	\$ (2,378,215)
Miscellaneous	-	-	354	354
Total revenues	<u>4,870,011</u>	<u>4,870,011</u>	<u>2,492,150</u>	<u>(2,377,861)</u>
Expenditures				
Current:				
Highways and streets	4,279,122	4,279,122	4,263,070	16,052
Capital outlay	<u>9,565,019</u>	<u>9,565,019</u>	<u>5,571,857</u>	<u>3,993,162</u>
Total expenditures	<u>13,844,141</u>	<u>13,844,141</u>	<u>9,834,927</u>	<u>4,009,214</u>
Deficiency of revenues over expenditures	<u>(8,974,130)</u>	<u>(8,974,130)</u>	<u>(7,342,777)</u>	<u>1,631,353</u>
Other Financing Sources (Uses)				
Transfers in	5,468,562	5,468,562	6,584,115	1,115,553
Transfers out	<u>(957,302)</u>	<u>(957,302)</u>	<u>(957,302)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,511,260</u>	<u>4,511,260</u>	<u>5,626,813</u>	<u>1,115,553</u>
Net change in fund balances	<u>\$ (4,462,870)</u>	<u>\$ (4,462,870)</u>	<u>(1,715,964)</u>	<u>\$ 2,746,906</u>
Fund Balances, Beginning			<u>1,715,964</u>	
Fund Balances, Ending			<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, 2022

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 407,260	\$ 407,260	\$ 407,260	\$ -
Expenditures				
Current:				
Education and recreation	542,189	542,189	336,451	205,738
Net change in fund balances	\$ (134,929)	\$ (134,929)	70,809	\$ 205,738
Fund Balances, Beginning			888,402	
Fund Balances, Ending			\$ 959,211	

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, 2022

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 11,587	\$ 11,587	\$ 11,587	\$ -
Expenditures				
Current:				
Highways and streets	-	-	-	-
Net change in fund balances	<u>\$ 11,587</u>	<u>\$ 11,587</u>	11,587	<u>\$ -</u>
Fund Balances, Beginning			<u>69,048</u>	
Fund Balances, Ending			<u>\$ 80,635</u>	

County of Racine

County Central Racine Health Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,103,995	\$ 1,103,995	\$ 1,103,995	\$ -
Intergovernmental	3,071,883	3,071,883	1,747,897	(1,323,986)
Public charges for services	323,500	375,457	375,457	-
Miscellaneous	-	-	965,493	965,493
Total revenues	<u>4,499,378</u>	<u>4,551,335</u>	<u>4,192,842</u>	<u>(358,493)</u>
Expenditures				
Current:				
Health and human services	<u>4,792,893</u>	<u>4,792,893</u>	<u>3,600,420</u>	<u>1,192,473</u>
Net change in fund balances	<u>\$ (293,515)</u>	<u>\$ (241,558)</u>	592,422	<u>\$ 833,980</u>
Fund Balances, Beginning			<u>129</u>	
Fund Balances, Ending			<u>\$ 592,551</u>	

County of Racine

County Opioid Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,515,781	\$ 1,515,781	\$ 1,515,781	\$ -
Expenditures				
Current:				
Health and human services	-	-	-	-
Net change in fund balances	<u>\$ 1,515,781</u>	<u>\$ 1,515,781</u>	1,515,781	<u>\$ -</u>
Fund Balances, Beginning			-	
Fund Balances, Ending			<u>\$ 1,515,781</u>	

County of Racine

Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Budget and Actual
 Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,724,004	\$ 7,724,004	\$ 7,724,004	\$ -
Intergovernmental	942,026	942,026	720,788	(221,238)
Miscellaneous	7,583,576	7,583,576	7,328,966	(254,610)
Total revenues	16,249,606	16,249,606	15,773,758	(475,848)
Expenditures				
Debt service:				
Principal retirement	12,403,101	12,403,101	14,260,000	(1,856,899)
Interest and fiscal charges	4,328,508	4,328,508	4,428,250	(99,742)
Total expenditures	16,731,609	16,731,609	18,688,250	(1,956,641)
Excess (deficiency) of revenues over expenditures	(482,003)	(482,003)	(2,914,492)	(2,432,489)
Other Financing Sources (Uses)				
Transfers in	254,833	254,833	254,833	-
Transfers out	(13,028)	(13,028)	(13,028)	-
Debt issued	-	-	2,100,046	2,100,046
Total other financing sources (uses)	241,805	241,805	2,341,851	2,100,046
Net change in fund balances	\$ (240,198)	\$ (240,198)	(572,641)	\$ (332,443)
Fund Balances, Beginning			1,894,548	
Fund Balances, Ending			\$ 1,321,907	

County of Racine

Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Budget and Actual
 Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 40,300,307	\$ 40,300,307	\$ 963,691	\$ (39,336,616)
Investment income	-	-	804	804
Miscellaneous	178,000	178,000	10,420	(167,580)
Total revenues	40,478,307	40,478,307	974,915	(39,503,392)
Expenditures				
Capital outlay	56,632,683	56,632,683	8,124,938	48,507,745
Debt service:				
Interest and fiscal charges	-	-	255,060	(255,060)
Total expenditures	56,632,683	56,632,683	8,379,998	48,252,685
Deficiency of revenues over expenditures	(16,154,376)	(16,154,376)	(7,405,083)	8,749,293
Other Financing Sources (Uses)				
Transfers in	957,104	957,104	1,042,691	85,587
Transfers out	(7,628,167)	(7,628,167)	(7,628,167)	-
Proceeds from the sale of capital assets	80,000	80,000	12,584	(67,416)
Debt issued	10,222,587	10,222,587	10,099,954	(122,633)
Premium on debt issued	-	-	368,844	368,844
Total other financing sources (uses)	3,631,524	3,631,524	3,895,906	264,382
Net change in fund balances	\$ (12,522,852)	\$ (12,522,852)	(3,509,177)	\$ 9,013,675
Fund Balances, Beginning			8,310,483	
Fund Balances, Ending			\$ 4,801,306	

INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis. The County's internal service funds account for fringe benefits, highway operations and fleet management services. The County has the following internal service funds:

- Billable
- Fringe Benefits
- Fleet

County of Racine, Wisconsin

Combining Statement of Net Position -
Internal Service Funds
December 31, 2022

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Total</u>
Assets				
Current assets:				
Cash and investments	\$ 1,000	\$ -	\$ -	\$ 1,000
Receivables (net)	79,603	-	-	79,603
Due from other governments	850,668	-	-	850,668
Due from other funds	-	554,636	1,880,956	2,435,592
Inventories	867,682	-	497,444	1,365,126
Prepaid items	13,474	-	10,255	23,729
	<u>1,812,427</u>	<u>554,636</u>	<u>2,388,655</u>	<u>4,755,718</u>
Total current assets				
Noncurrent assets:				
Restricted asset, net pension asset	1,708,531	180,185	-	1,888,716
Capital assets:				
Construction in progress	-	-	278,038	278,038
Buildings	-	-	7,390,210	7,390,210
Improvements other than buildings	-	-	2,546,803	2,546,803
Machinery and equipment	43,831	-	15,670,359	15,714,190
Less accumulated depreciation	<u>(37,257)</u>	<u>-</u>	<u>(14,995,473)</u>	<u>(15,032,730)</u>
	<u>1,715,105</u>	<u>180,185</u>	<u>10,889,937</u>	<u>12,785,227</u>
Total noncurrent assets				
Total assets				
	<u>3,527,532</u>	<u>734,821</u>	<u>13,278,592</u>	<u>17,540,945</u>
Deferred Outflows of Resources				
Pension related amounts	<u>2,614,734</u>	<u>1,220,250</u>	<u>-</u>	<u>3,834,984</u>
Total deferred outflows of resources				
	<u>2,614,734</u>	<u>1,220,250</u>	<u>-</u>	<u>3,834,984</u>
Liabilities				
Current liabilities:				
Accounts payable	53,639	-	138,488	192,127
Accrued liabilities	48,926	305,867	-	354,793
Due to other funds	<u>2,756,619</u>	<u>-</u>	<u>-</u>	<u>2,756,619</u>
	<u>2,859,184</u>	<u>305,867</u>	<u>138,488</u>	<u>3,303,539</u>
Total current liabilities				
Noncurrent liabilities:				
General obligation debt payable	<u>-</u>	<u>-</u>	<u>13,029</u>	<u>13,029</u>
	<u>-</u>	<u>-</u>	<u>13,029</u>	<u>13,029</u>
Total noncurrent liabilities				
	<u>2,859,184</u>	<u>305,867</u>	<u>151,517</u>	<u>3,316,568</u>
Total liabilities				
Deferred Inflows of Resources				
Pension related amounts	3,068,560	1,633,455	-	4,702,015
Other	<u>-</u>	<u>362,407</u>	<u>34,878</u>	<u>397,285</u>
	<u>3,068,560</u>	<u>1,995,862</u>	<u>34,878</u>	<u>5,099,300</u>
Total deferred inflows of resources				
Net Position				
Net investment in capital assets	6,575	-	10,883,220	10,889,795
Restricted for:				
Pension	1,708,531	180,185	-	1,888,716
Unrestricted (deficit)	<u>(1,500,583)</u>	<u>(526,843)</u>	<u>2,208,911</u>	<u>181,485</u>
	<u>\$ 214,523</u>	<u>\$ (346,658)</u>	<u>\$ 13,092,131</u>	<u>\$ 12,959,996</u>
Total net position				

County of Racine, Wisconsin

Combining Statement of Revenues, Expenses and Changes in Fund Net Position -
Internal Service Funds
Year Ended December 31, 2022

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Total</u>
Operating Revenues				
Highway charges and fees	\$ 10,356,320	\$ 2,518,288	\$ 5,075,768	\$ 17,950,376
Other	<u>47,131</u>	<u>-</u>	<u>21,457</u>	<u>68,588</u>
Total operating revenues	<u>10,403,451</u>	<u>2,518,288</u>	<u>5,097,225</u>	<u>18,018,964</u>
Operating Expenses				
Highways and streets	10,409,368	2,503,696	4,363,790	17,276,854
Depreciation	<u>-</u>	<u>-</u>	<u>1,033,450</u>	<u>1,033,450</u>
Total operating expenses	<u>10,409,368</u>	<u>2,503,696</u>	<u>5,397,240</u>	<u>18,310,304</u>
Operating income (loss)	<u>(5,917)</u>	<u>14,592</u>	<u>(300,015)</u>	<u>(291,340)</u>
Nonoperating Expenses				
Loss on disposal of capital assets	<u>-</u>	<u>-</u>	<u>(36,090)</u>	<u>(36,090)</u>
Total nonoperating expenses	<u>-</u>	<u>-</u>	<u>(36,090)</u>	<u>(36,090)</u>
Income (loss) before transfers	<u>(5,917)</u>	<u>14,592</u>	<u>(336,105)</u>	<u>(327,430)</u>
Transfers				
Transfers in	-	-	2,181,361	2,181,361
Transfers out	<u>-</u>	<u>-</u>	<u>(2,385,083)</u>	<u>(2,385,083)</u>
Total transfers	<u>-</u>	<u>-</u>	<u>(203,722)</u>	<u>(203,722)</u>
Change in net position	(5,917)	14,592	(539,827)	(531,152)
Net Position (Deficit), Beginning	<u>220,440</u>	<u>(361,250)</u>	<u>13,631,958</u>	<u>13,491,148</u>
Net Position (Deficit), Ending	<u>\$ 214,523</u>	<u>\$ (346,658)</u>	<u>\$ 13,092,131</u>	<u>\$ 12,959,996</u>

County of Racine, Wisconsin

Combining Statement of Cash Flows -
Internal Service Funds
Year Ended December 31, 2022

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Total</u>
Cash Flows From Operating Activities				
Received from customers	\$ 10,503,279	\$ 966,092	\$ 4,283,381	\$ 15,752,752
Received from interfund services provided	-	1,453,114	1,726,409	3,179,523
Customer deposits received	-	101,029	-	101,029
Paid to suppliers for goods and services	(7,326,611)	(2,028,577)	(3,751,453)	(13,106,641)
Paid to employees for services	<u>(3,176,668)</u>	<u>(491,658)</u>	<u>(557,198)</u>	<u>(4,225,524)</u>
Net cash flows from operating activities	<u>-</u>	<u>-</u>	<u>1,701,139</u>	<u>1,701,139</u>
Cash Flows From Noncapital Financing Activities				
Transfer in	-	-	2,181,361	2,181,361
Transfer out	<u>-</u>	<u>-</u>	<u>(2,385,083)</u>	<u>(2,385,083)</u>
Net cash flows from noncapital financing activities	<u>-</u>	<u>-</u>	<u>(203,722)</u>	<u>(203,722)</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	<u>-</u>	<u>-</u>	<u>(1,497,417)</u>	<u>(1,497,417)</u>
Net cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,497,417)</u>	<u>(1,497,417)</u>
Cash and Cash Equivalents, Beginning	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,000</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities				
Operating income (loss)	\$ (5,917)	\$ 14,592	\$ (300,015)	\$ (291,340)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	-	-	1,072,458	1,072,458
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Other accounts receivable	(10,466)	-	-	(10,466)
Receivable from municipality	-	(289,820)	912,565	622,745
Materials and supplies	82,075	-	6,475	88,550
Prepayments	(1,690)	-	(3,769)	(5,459)
Accounts payable	(33,724)	-	(5,207)	(38,931)
Payable to municipality	246,066	-	-	246,066
Other current liabilities	7,790	24,566	-	32,356
Pension related deferrals and assets	(394,428)	(41,105)	18,632	(416,901)
Customer deposits	-	(70,640)	-	(70,640)
Deferred inflow of resources	-	362,407	-	362,407
Receivable from utility	<u>110,294</u>	<u>-</u>	<u>-</u>	<u>110,294</u>
Net cash flows from operating activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,701,139</u></u>	<u><u>\$ 1,701,139</u></u>
Noncash Capital and Related Financing Activities				
None				

CUSTODIAL FUNDS

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. The County has the following custodial funds:

- Health Service Rep Payee – to account for receipts and disbursements of representative payee accounts for health services
- Courts – To account for the receipt and disbursement of court-ordered payments to third parties.
- Taxes – receipt and disbursement of property tax payments by the County Treasurer to local municipalities.

County of Racine, Wisconsin

Combining Statement of Fiduciary Net Position -
Custodial Funds
December 31, 2022

	<u>Health Service Rep Payee</u>	<u>Courts</u>	<u>Taxes</u>	<u>Total</u>
Assets				
Cash and investments	\$ 101,732	\$ 5,277,724	\$ -	\$ 5,379,456
Delinquent property taxes	-	-	2,131,031	2,131,031
Other receivables	9,954	179,601	-	189,555
	<u>111,686</u>	<u>5,457,325</u>	<u>2,131,031</u>	<u>7,700,042</u>
Liabilities				
Accounts payable	-	-	25,212	25,212
Deposits	-	179,600	2,105,819	2,285,419
	<u>-</u>	<u>179,600</u>	<u>2,131,031</u>	<u>2,310,631</u>
Net Position				
Restricted	<u>\$ 111,686</u>	<u>\$ 5,277,725</u>	<u>\$ -</u>	<u>\$ 5,389,411</u>

County of Racine, Wisconsin

Combining Statement of Changes in Fiduciary Net Position -
Custodial Funds
Year Ended December 31, 2022

	<u>Health Service Rep Payee</u>	<u>Courts</u>	<u>Taxes</u>	<u>Total</u>
Additions				
Miscellaneous	<u>\$ 564,068</u>	<u>\$ 1,002,658</u>	<u>\$ -</u>	<u>\$ 1,566,726</u>
Total additions	<u>564,068</u>	<u>1,002,658</u>	<u>-</u>	<u>1,566,726</u>
Deductions				
Distributions	<u>607,268</u>	<u>1,106,901</u>	<u>-</u>	<u>1,714,169</u>
Total deductions	<u>607,268</u>	<u>1,106,901</u>	<u>-</u>	<u>1,714,169</u>
Change in net position	(43,200)	(104,243)	-	(147,443)
Net Position, Beginning	<u>154,886</u>	<u>5,381,968</u>	<u>-</u>	<u>5,536,854</u>
Net Position, Ending	<u><u>\$ 111,686</u></u>	<u><u>\$ 5,277,725</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,389,411</u></u>

STATISTICAL SECTION

**Statistical Section
(Unaudited)**

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

FINANCIAL TRENDS - TABLES 1 - 4

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

REVENUE CAPACITY - TABLES 5 - 8

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

DEBT CAPACITY - TABLES 9 - 11

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

DEMOGRAPHIC AND ECONOMIC INFORMATION - TABLES 12 -13

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

OPERATING INFORMATION - TABLES 14 - 16

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

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

COUNTY OF RACINE, WISCONSIN
TABLE 1 - NET POSITION BY COMPONENT
For the fiscal years ended December 31, 2013 through 2022

	<u>2013</u>	<u>2014</u>	<u>2015(a)</u>	<u>2016</u>	<u>2017(b)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Governmental Activities</u>										
Net investment in capital assets	\$ 70,793,526	\$ 71,576,675	\$ 73,461,275	\$ 72,608,754	\$ 75,699,354	\$ 71,421,109	\$ 57,347,415	\$ 66,651,050	\$ 72,491,526	\$ 74,583,854
Restricted (a)	1,894,330	957,661	7,546,353	1,450,695	79,470,192	60,944,474	2,461,292	11,206,195	19,896,149	27,816,823
Unrestricted (deficit)	<u>(29,577,819)</u>	<u>(27,242,637)</u>	<u>(16,162,176)</u>	<u>(14,244,416)</u>	<u>(227,113,750)</u>	<u>(298,377,865)</u>	<u>(243,482,695)</u>	<u>(205,513,527)</u>	<u>(211,628,822)</u>	<u>(217,518,367)</u>
Total Governmental Activities Net position	<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>\$ (119,241,147)</u>	<u>\$ (115,117,690)</u>
<u>Business-type Activities</u>										
Net investment in capital assets	\$ 6,416,321	\$ 6,141,920	\$ 6,064,650	\$ 6,515,782	\$ 3,554,511	\$ 10,922,973	\$ 11,311,861	\$ 15,048,573	\$ 14,576,123	\$ 15,930,151
Restricted (a)	-	-	1,388,268	-	-	303,119	-	639,667	1,548,547	2,417,447
Unrestricted (deficit)	<u>2,176,791</u>	<u>2,487,622</u>	<u>4,017,906</u>	<u>4,433,369</u>	<u>11,086,943</u>	<u>2,081,636</u>	<u>5,245,954</u>	<u>729,844</u>	<u>653,194</u>	<u>(397,788)</u>
Total Business-type Activities Net Position	<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>\$ 16,777,864</u>	<u>\$ 17,949,810</u>
<u>Primary Government</u>										
Net investment in capital assets	\$ 77,209,847	\$ 77,718,595	\$ 79,525,925	\$ 79,124,536	\$ 79,253,865	\$ 82,344,082	\$ 66,753,201	\$ 79,793,548	\$ 87,067,649	\$ 90,514,005
Restricted (a)	1,894,330	957,661	8,934,621	1,450,695	79,470,192	61,247,593	2,461,292	11,845,862	21,444,696	30,234,270
Unrestricted (deficit)	<u>(27,401,028)</u>	<u>(24,755,015)</u>	<u>(12,144,270)</u>	<u>(9,811,047)</u>	<u>(216,026,807)</u>	<u>(296,296,229)</u>	<u>(236,330,666)</u>	<u>(202,877,608)</u>	<u>(210,975,628)</u>	<u>(217,916,155)</u>
Total Primary Government Net Position	<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>	<u>\$ (102,463,283)</u>	<u>\$ (97,167,880)</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, 2013 through 2022
(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses:										
Governmental activities:										
General government	\$ 13,569,972	\$ 12,976,425	\$ 11,456,557	\$ 18,377,521	\$ 12,630,557	\$ 14,511,152	\$ 20,300,126	\$ 11,682,696	\$ 22,720,308	\$ 28,395,593
Public safety	37,877,728	38,393,851	38,893,997	38,598,464	53,852,754	41,224,061	48,453,160	26,900,310	46,840,920	48,104,701
Health and social services	37,250,748	38,694,931	37,726,141	38,049,206	37,682,223	36,925,247	37,939,587	19,309,199	30,296,041	33,550,721
Education and recreation	5,581,326	5,855,624	5,709,148	5,808,509	5,607,830	6,142,042	4,871,021	4,960,785	6,788,184	7,022,387
Development	2,353,909	2,440,431	2,267,218	1,470,265	6,734,196	99,524,979	8,197,626	1,493,945	1,649,756	2,079,399
Public service enterprises	-	-	-	-	-	-	-	-	1,317,679	4,399,531
Highways and streets	5,221,320	5,477,378	4,930,298	8,669,253	6,392,210	5,988,191	8,459,204	21,917,914	26,112,474	27,116,141
Interest and fiscal charges	1,673,271	1,445,188	1,252,408	1,401,967	1,227,355	3,742,597	6,137,338	3,648,667	3,678,129	3,761,597
Total governmental activities expenses	<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>	<u>139,403,491</u>	<u>154,430,070</u>
Business-type activities:										
Healthcare Center	16,355,002	16,574,797	16,541,370	16,783,931	12,859,681	358,473	-	-	-	-
Reefpoint Marina	1,249,377	1,406,869	1,515,244	1,603,243	1,728,352	1,911,897	1,892,568	2,019,172	1,894,119	2,388,446
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	20,822,748	21,889,134
Pritchard Park	-	-	-	-	-	253,124	1,327,380	4,378,635	819,079	697,582
Golf Courses	287,433	307,278	245,428	207,159	219,694	363,916	248,103	266,115	314,375	226,316
Total Business-type activities expenses	<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>	<u>23,850,321</u>	<u>25,201,478</u>
Total expenses	<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>	<u>\$ 163,253,812</u>	<u>\$ 179,631,548</u>
Program Revenues:										
Governmental activities:										
Charges for services										
General government	\$ 4,573,756	\$ 4,396,263	\$ 4,456,234	\$ 4,551,088	\$ 4,559,549	\$ 4,674,757	\$ 5,402,042	\$ 5,441,693	\$ 6,184,421	\$ 6,128,904
Public safety	2,921,337	2,937,753	2,609,591	2,730,593	2,965,139	3,292,389	3,035,380	3,218,396	3,673,109	3,195,102
Health and social services	1,857,573	1,879,599	2,609,429	2,955,446	1,493,784	2,664,070	1,757,028	1,725,921	908,104	3,506,568
Education and recreation	266,987	272,202	294,905	357,310	374,359	376,197	534,937	582,699	697,782	899,434
Development	229,684	225,470	241,907	239,947	321,928	327,741	305,330	328,607	366,430	305,830
Highways and streets	-	-	-	-	-	53	-	72,456	11,092	18,815
Operating grants and contributions	36,635,567	37,989,509	37,528,198	36,311,183	34,862,866	36,478,601	43,435,124	54,803,188	58,551,581	62,878,877
Capital grants and contributions	1,636,688	1,034,054	1,342,028	180,000	2,210,000	4,290,000	-	3,441	4,794	3,589
Total governmental activities program revenues	<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>	<u>70,397,313</u>	<u>76,937,119</u>
Business-type activities:										
Charges for services										
Healthcare Center	15,148,338	15,819,653	15,713,085	16,059,689	10,166,822	-	-	-	-	-
Reefpoint Marina	1,286,692	1,447,015	1,648,292	1,704,959	1,744,044	1,828,318	1,951,440	1,961,708	2,315,262	2,354,225
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	20,418,561	21,018,942
Pritchard Park	-	-	-	-	-	88	1,536,378	58,339	323,439	719,331
Golf Courses	294,076	298,911	304,450	274,383	266,348	252,047	250,465	341,197	371,822	393,040
Operating grants and contributions	-	-	-	-	-	-	-	100,000	100,000	-
Capital grants and contributions	-	-	-	-	-	-	808,628	3,946,238	-	-
Total business-type activities program revenues	<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>	<u>23,529,084</u>	<u>24,485,538</u>
Total program revenues	<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>	<u>\$ 93,926,397</u>	<u>\$ 101,422,657</u>

COUNTY OF RACINE, WISCONSIN
TABLE 2 - CHANGES IN NET POSITION
For the fiscal years ended December 31, 2013 through 2022
(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (55,406,682)	\$ (56,548,978)	\$ (53,153,475)	\$ (65,049,618)	\$ (77,339,500)	\$ (155,954,461)	\$ (79,888,221)	\$ (23,737,115)	\$ (69,006,178)	\$ (77,492,951)
Business-type activities	(854,771)	(697,665)	(668,820)	(1,243,081)	(2,195,748)	(523,848)	139,562	(522,641)	(321,237)	(715,940)
Total net expense	<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>	<u>\$ (69,327,415)</u>	<u>\$ (78,208,891)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 51,378,111	\$ 51,962,329	\$ 52,178,043	\$ 51,382,533	\$ 51,919,376	\$ 52,800,996	\$ 54,542,289	\$ 55,752,466	\$ 56,960,382	\$ 60,813,066
Other taxes	323	123	145	457	467	465	475	417	424	486
Grants and contributions not restricted to specific programs	2,757,895	2,745,176	2,771,696	3,004,169	2,900,458	2,919,130	3,352,909	11,024,337	7,705,099	8,327,751
Unrestricted investment earnings	3,487,113	3,243,584	2,841,700	3,155,601	2,949,947	4,578,269	6,526,623	4,313,560	4,164,917	4,581,663
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	88,757
Other	1,206,511	1,513,197	2,108,633	3,201,478	3,364,758	751,587	878,226	9,034,998	9,227,800	9,636,999
Transfers	(216,779)	(733,769)	(679,048)	(697,574)	(147,372)	835,936	(3,074,007)	(370,957)	(637,309)	(1,832,314)
Total governmental activities	<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>	<u>77,421,313</u>	<u>81,616,408</u>
Business-type activities:										
Unrestricted investment earnings	47	326	54	30	19,533	26,058	36,518	8,091	42,713	55,572
Other	-	-	-	-	-	-	-	3,862	995	-
Special item	-	-	-	-	5,744,950	-	-	-	-	-
Transfers	216,779	733,769	679,048	697,574	147,372	(835,936)	3,074,007	370,957	637,309	1,832,314
Total business-type activities	<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>	<u>681,017</u>	<u>1,887,886</u>
Total	<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>	<u>\$ 78,102,330</u>	<u>\$ 83,504,294</u>
Change in Net Position:										
Governmental activities	\$ 3,206,492	\$ 2,181,662	\$ 6,067,694	\$ (5,002,954)	\$ (16,351,866)	\$ (94,068,078)	\$ (17,661,706)	\$ 56,017,706	\$ 8,415,135	\$ 4,123,457
Business-type activities	(637,945)	36,430	10,282	(545,477)	3,716,107	(1,333,726)	3,250,087	(139,731)	359,780	1,171,946
Total	<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>	<u>\$ 8,774,915</u>	<u>\$ 5,295,403</u>

COUNTY OF RACINE, WISCONSIN
TABLE 3 - FUND BALANCES, GOVERNMENTAL FUNDS
For the fiscal years ended December 31, 2013 through 2022
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund:										
Nonspendable	\$ 15,800,363	\$ 16,277,554	\$ 16,921,458	\$ 17,462,751	\$ 18,842,899	\$ 18,960,863	\$ 18,899,148	\$ 16,864,439	\$ 15,947,437	\$ 16,759,285
Restricted	312,246	308,297	308,705	309,990	309,990	315,925	323,064	324,658	324,846	344,649
Committed	16,293,451	17,589,978	18,209,733	20,751,961	15,493,453	19,144,099	16,170,239	20,577,661	17,488,700	13,788,468
Unassigned	<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>	<u>13,931,882</u>	<u>12,387,621</u>
Total General Fund	<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>	<u>47,692,865</u>	<u>43,280,023</u>
Other governmental funds:										
Nonspendable	271,627	282,631	273,801	270,714	265,427	268,335	271,560	268,658	268,787	39,217
Restricted	1,851,244	942,562	779,499	1,311,491	81,896,421	51,797,202	9,349,832	5,770,037	9,649,366	3,101,934
Committed	7,331,450	8,782,738	5,126,316	4,091,264	3,252,957	3,522,895	4,977,951	3,871,171	3,751,614	6,598,183
Assigned	2,500,134	1,897,768	6,740,705	7,053,290	5,968,059	4,209,449	2,845,030	3,155,869	4,892,044	5,310,646
Unassigned (deficit)	<u>(46,588)</u>	<u>(7,460)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other governmental funds	<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>	<u>18,561,811</u>	<u>15,049,980</u>
TOTAL FUND BALANCES	\$ 60,018,726	\$ 60,202,176	\$ 64,187,516	\$ 60,880,437	\$ 138,150,321	\$ 110,255,939	\$ 64,721,540	\$ 63,845,950	\$ 66,254,676	\$ 58,330,003

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, 2013 through 2022
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues:										
Property taxes	\$ 51,109,127	\$ 51,293,780	\$ 51,137,678	\$ 51,382,990	\$ 51,919,843	\$ 52,940,483	\$ 54,451,871	\$55,752,883	\$ 56,960,806	\$ 60,813,552
Intergovernmental	40,536,437	41,598,070	41,893,689	39,082,111	38,488,666	40,185,803	47,810,729	51,788,853	49,899,052	56,677,449
Public charges for services	-	-	-	-	-	-	-	-	25,042	469,074
Fines and fees	8,655,700	8,590,341	9,396,850	9,336,139	9,714,759	11,307,106	10,743,975	11,099,579	11,826,459	12,161,908
Interest income	3,487,113	3,243,584	2,841,717	3,155,603	2,949,947	4,674,200	5,534,869	4,313,560	4,164,915	4,583,228
Miscellaneous	2,413,387	2,805,693	3,089,377	3,609,470	3,886,422	5,104,742	841,752	8,748,048	9,012,205	9,477,998
Total revenues	<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>	<u>131,888,479</u>	<u>144,183,209</u>
Expenditures:										
Current:										
General government	12,566,127	12,787,706	11,205,047	16,640,626	16,066,315	17,986,621	23,392,379	20,210,630	25,379,864	32,197,515
Public safety	33,667,840	35,090,055	35,589,333	35,515,704	37,682,554	39,488,611	41,045,055	45,604,675	47,305,346	50,612,393
Health and social services	37,012,809	37,967,539	37,417,651	36,564,821	32,893,728	35,313,644	32,499,251	32,391,866	32,072,526	34,357,539
Education and recreation	4,995,648	5,097,913	5,050,077	4,949,891	4,983,886	5,870,256	5,534,109	5,336,448	5,730,033	5,994,257
Development	1,357,363	1,455,472	1,426,918	1,440,230	5,719,263	2,857,547	2,526,332	1,997,640	1,789,335	2,132,571
Highways and streets	7,777,129	9,577,062	8,327,803	6,579,153	4,710,587	4,975,846	5,415,652	5,552,619	6,087,418	5,126,338
Capital outlay	5,765,958	3,733,621	4,110,646	4,528,999	8,422,003	106,874,309	11,073,567	11,029,218	8,289,405	13,696,795
Debt service principal	5,511,131	5,575,762	5,526,177	8,030,605	8,874,129	6,870,358	154,240,185	12,347,603	11,932,258	14,260,000
Debt service interest and fiscal charges	1,619,324	1,467,319	1,447,931	1,456,049	1,858,140	4,324,418	6,480,791	4,058,801	4,715,820	4,683,310
Total Expenditures	<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>	<u>143,302,005</u>	<u>163,060,718</u>
Excess (deficiency) of revenues over expenditures	<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>	<u>(11,413,526)</u>	<u>(18,877,509)</u>
Other Financing Sources (Uses):										
Transfers in	15,049,544	12,314,105	15,103,686	12,945,950	16,518,509	18,962,668	57,258,554	9,788,018	10,295,436	15,718,647
Transfers out	(16,243,668)	(13,220,204)	(16,089,775)	(13,261,597)	(16,793,702)	(11,042,244)	(59,875,730)	(10,886,750)	(11,242,555)	(17,347,239)
Issuance of general obligation debt	7,020,000	6,135,000	6,565,000	6,010,000	91,870,000	74,725,000	119,570,000	6,845,000	13,045,000	12,200,000
Issuance of refunding bonds	14,880,000	-	-	-	-	-	-	-	-	-
Net premium (discount) on issuance of debt	1,902,105	143,463	129,061	134,196	(102,412)	(195,160)	271,326	175,403	348,782	368,844
Sale of property	-	32,067	19,640	4,137	8,965	4,630	65,576	29,316	1,375,589	12,584
Total other financing sources (uses)	<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>	<u>13,822,252</u>	<u>10,952,836</u>
Net change in fund balances	<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>	<u>\$ 2,408,726</u>	<u>\$ (7,924,673)</u>
Capitalized expenditures	\$ 8,756,298	\$ 7,000,061	\$ 7,158,889	\$ 4,031,966	\$ 6,637,035	\$ 1,759,410	\$ 4,675,895	\$ 7,458,766	\$ 5,130,850	\$ 10,538,240
Debt Service as a percent of noncapital expenditures (a)	7.02%	6.66%	6.77%	8.49%	9.37%	5.02%	57.91%	12.52%	12.05%	12.42%

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, 2013 through 2022

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						
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
2021	14,456,120,000	3,963,625,600	549,930,700	345,721,100	261,235,700	19,576,633,100	1,245,070,100	18,331,563,000	55,896,691	3.05
2022	16,026,044,700	4,539,238,300	584,146,400	369,657,800	272,625,300	21,791,712,500	1,498,932,400	20,292,780,100	58,594,096	2.89

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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
FEWI Development Corp	\$ 509,992,700	1	3.01%	\$ 118,727,500	1	0.83%
SC Johnson & Son, Inc.	123,162,200	2	0.73%			
Bcore Corridor	106,928,700	3	0.63%			
NLP Grandview LLC	80,083,500	4	0.47%	41,602,900	5	0.29%
Mount Pleasant Apartments	64,972,700	5	0.38%			
Enterprise Business Park LLC	63,070,400	6	0.37%			
SNH Medical Office Properties Trust	46,948,000	7	0.28%			
All Saints Medical Center Inc	44,345,700	8	0.26%			
United, Natural Foods, Inc	37,720,600	9	0.22%			
Johnson Bank	25,661,700	10	0.15%			
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>\$ 1,102,886,200</u>		<u>6.51%</u>	<u>\$ 510,804,400</u>		<u>3.58%</u>
Total County Taxable Assessed Value	<u>\$ 16,933,264,000</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, 2013 through 2022

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
2012	2013	\$ 338,189,017	\$ 331,065,682	97.89%	\$ 6,628,639	\$ 337,694,321	99.85%
2013	2014	333,245,988	326,674,634	98.03%	6,179,686	332,854,320	99.88%
2014	2015	319,199,884	313,396,709	98.18%	5,368,459	318,765,168	99.86%
2015	2016	334,261,456	328,377,726	98.24%	5,325,541	333,703,267	99.83%
2016	2017	332,487,927	326,481,760	98.19%	5,275,111	331,756,870	99.78%
2017	2018	337,586,793	332,572,353	98.51%	3,923,903	336,496,256	99.68%
2018	2019	343,619,582	338,670,414	98.56%	3,119,863	341,790,277	99.47%
2019	2020	354,029,621	349,080,453	98.60%	1,542,927	350,623,380	99.04%
2020	2021	375,992,927	371,356,584	98.77%	2,842,092	374,198,676	99.52%
2021	2022	394,808,897	390,607,776	98.94%	-	390,607,776	98.94%

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, 2013 through 2022
(rates per \$1,000 of equalized value)

	2022 Equalized Value (f)	Levy Year									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County direct rate											
General	\$ 20,292,780,100	\$ 3.74	\$ 3.66	\$ 3.61	\$ 3.56	\$ 3.50	\$ 3.40	\$ 3.29	\$ 3.16	3.05	2.89
Overlapping rates (g)											
Racine County:											
County Schools (a)	\$ 6,556,500,645	\$ 0.25	\$ 0.24	\$ 0.17	\$ 0.17	\$ 0.16	\$ 0.14	\$ 0.13	0.12	0.06	0.05
Bridge Aids (b)		-	-	-	0.04	0.01	0.00	-	0.00		0
Lakeshore Library (c)	11,789,814,200	0.27	0.26	0.26	0.252	0.26	0.26	0.25	0.24	0.26	0.23
Cities:											
Burlington (d)	\$ 1,275,950,700	\$ 24.09	\$ 22.97	\$ 23.38	\$ 22.75	\$ 23.36	\$ 20.55	\$ 20.09	\$ 19.38	\$ 18.35	\$ 17.41
Racine	4,442,557,500	29.13	29.14	30.71	30.32	29.62	29.17	27.54	27.6	28.24	25.05
Towns:											
Burlington	\$ 917,228,600	\$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	\$16.10-17.32	\$10.92-11.75
Dover	486,342,700	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	14.47-18.84	10.77-12.23
Norway	1,259,578,700	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	11.99-17.37	11.63-17.22
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	885,983,300	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	14.57-16.13	13.71-15.16
Yorkville	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Villages:											
Caledonia	\$ 3,025,113,700	\$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	\$17.11-17.34	\$15.63-15.43
Elmwood Park	54,725,900	19.54	18.6	19.80	19.48	19.82	17.82	18.12	19.76	17.69	\$17.85
Mount Pleasant	3,884,717,500	21.16	20.23	21.43	21.43	20.19	20.02	18.62	19.38	18.93	\$16.80
North Bay	46,520,300	20.99	19.83	20.59	20.4	20.37	21.5	19.76	21.8	21.07	\$21.35
Raymond	702,205,900	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	15.04-16.18	14.12-16.67
Rochester	435,134,500	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	15.00-16.19	12.59-15.13
Sturtevant	723,574,300	22.74	21.82	23.36	21.68	21.57	20.35	19.17	20.18	21.5	18.34
Union Grove	434,404,900	23.67	22.72	23.07	21.78	21.72	20.79	21.77	20.99	16.92	17.96
Waterford	615,057,200	21.95	21.26	22.96	21.58	21.18	21.84	22.44	22.76	17.28	17.79
Wind Point	333,063,000	16.38	15.62	16.29	17.48	17.30	17.84	17.62	18.73	18.7	18.66
Yorkville	770,621,400	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	\$14.86-15.64	15.77-16.20

Notes:

- Source: Racine County budgets and Racine Count
- (a) County Schools levy excludes the following taxing districts: Villages of Caledonia, Elmwood Par
 - (b) Bridge Aids levy is assessed only on the Town
 - (c) Lakeshore Library levy excludes the following tax districts who have a separate library: Villages
 - (d) The City of Burlington is located in both Racine
 - (e) In 2008, the Town and Village of Rochester m
 - (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.
 - (g) All overlapping rates include applicable county direct rates. Ranges are due to differences in ta

COUNTY OF RACINE, WISCONSIN
TABLE 9 - RATIOS OF OUTSTANDING DEBT BY TYPE
For the fiscal years ended December 31, 2013 through 2022

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				
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%	1.81%	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%	1.60%	851.19
2021	19,576,633,100	10,455,000	35,830,000	-	5,230,000	113,045,000	2,925,000	-	167,485,000	0.86%	1.49%	849.10
2022	21,791,712,500	5,795,000	48,760,000	-	335,000	107,630,000	2,650,000	-	165,170,000	0.76%	*	*

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, 2013 through 2022

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
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
2021	167,485,000	1,894,548	165,590,452	19,576,633,100	0.85%	197,249	839.50
2022	165,170,000	1,321,685	163,848,315	21,791,712,500	0.75%	198,138	826.94

(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, 2013 through 2022
(dollars in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Equalized Value of Taxable Property (a)	\$ 13,438,849	\$ 13,623,819	\$ 13,896,029	\$ 14,173,692	\$ 14,224,282	\$ 15,373,789	\$ 16,475,064	\$ 17,999,659	\$ 19,576,633	\$ 21,791,713
Wisconsin Statutory Debt Limit (b)	\$ 671,942	\$ 681,191	\$ 694,801	\$ 708,685	\$ 711,214	\$ 768,689	\$ 823,753	\$ 899,983	\$ 978,832	\$ 1,089,586
Debt Applicable to Limit:										
General Obligation Debt (c)	\$ 59,720	\$ 61,478	\$ 61,817	\$ 59,103	\$ 141,176	\$ 208,512	\$ 180,982	\$ 166,635	\$ 167,485	\$ 165,170
Less Debt Service Funds (d)	<u>(1,125)</u>	<u>(210)</u>	<u>(216)</u>	<u>(744)</u>	<u>(4,489)</u>	<u>(4,423)</u>	<u>(2,506)</u>	<u>(892)</u>	<u>(1,895)</u>	<u>(1,322)</u>
Total net debt applicable to limit	\$ 58,595	\$ 61,268	\$ 61,601	\$ 58,359	\$ 136,687	\$ 204,089	\$ 178,476	\$ 165,743	\$ 165,590	\$ 163,848
Legal Debt Margin	\$ 613,347	\$ 619,923	\$ 633,200	\$ 650,326	\$ 574,527	\$ 564,600	\$ 645,277	\$ 734,240	\$ 813,242	\$ 925,738
Debt Capacity Used	8.7%	9.0%	8.9%	8.2%	19.2%	26.6%	21.7%	18.4%	16.9%	15.0%

Notes:

- (a) The Equalized value shown on this table is as of January 1 of each year.
- (b) State statues limit the County's general obligation debt to 5% of its total equalized valuation.
- (c) The County annually issues debt for
- (d) Fund Balances restricted for debt

COUNTY OF RACINE
TABLE 12 - DEMOGRAPHIC AND ECONOMIC STATISTICS
For the fiscal years ended December 31, 2013 through 2022

Year	Population (a)	Per Capita	Personal	School Enrollment (c)		Unemployment Rates (d)	
		Personal Income (b)	Income (a) x (b)	Public Schools	Private Schools	Racine County	State of Wisconsin
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	53,094	10,394,000,004	25,489	4,421	6.1%	6.3%
2021	197,249	56,884	11,220,312,116	25,804	10,776	3.1%	3.8%
2022	198,138	*	*	25,435	12,056	3.5%	2.9%

* 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**

<u>Employer</u>	<u>2022</u>		
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Rank</u>
Racine Unified School District	2950	3.1%	1
SC Johnson & Son, Inc.	2500	2.6%	2
Ascension All Saints Hospital	2150	2.3%	3
Advocate Aurora (Burlington and Greater Racine)	2050	2.2%	4
CNH Industrial	1500	1.6%	5
Insinkerator	1040	1.1%	6
Cree Lighting	1100	1.2%	7
City of Racine	1000	1.1%	8
Racine County	920	1.0%	9
Andis Co	725	0.8%	10
Twin Disc, Inc	510	0.5%	11
Modine Manufacturing Co	500	0.5%	12

Racine County Total Employment: 94,599

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

COUNTY OF RACINE, WISCONSIN
TABLE 14 - COUNTY GOVERNMENT FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2013 through 2022

Function / Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Building & Facilities Management Division	13.00	13.00	13.00	13.00	15.00	15.00	14.00	15.00	14.00	14.00
Clerk of Circuit Court Office	30.75	29.75	29.40	30.40	30.40	37.40	37.40	38.00	37.00	49.29
Corporation Counsel	5.10	5.10	5.10	5.15	5.15	4.65	4.65	5.65	5.50	5.10
County Board	21.00	21.00	21.00	21.00	21.00	21.00	21.30	21.30	21.30	21.30
County Clerk	4.25	4.25	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	2.40	2.90	5.10	3.90	3.90	4.90
County Treasurer	5.00	5.00	5.00	5.00	4.00	4.00	5.00	5.00	5.00	5.00
Data & Performance Analytics	-	-	0.00	-	-	-	-	2.00	3.00	4.00
District Attorney's Office	9.65	8.80	8.80	9.40	9.40	12.00	13.00	13.00	13.60	15.00
Employee Benefits/Public Liability	-	-	-	-	-	-	-	-	0.20	2.50
Finance Department (d)	12.90	12.90	13.00	13.00	13.90	14.10	14.05	13.00	13.00	13.00
Human Resources Department	6.00	6.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	5.80
Information Systems Department	6.00	6.00	6.00	7.00	8.00	9.00	10.00	16.70	16.70	15.00
Land Information Office	0.25	0.25	0.25	0.25	0.75	0.25	0.25	0.25	0.25	1.50
Medical Examiner Office	1.08	1.08	1.08	1.08	1.00	1.00	1.00	1.00	1.00	3.44
Print & Mail Division	1.00	1.00	-	-	-	-	-	-	-	-
Real Property Lister Division (f)	-	-	-	-	-	-	-	-	-	-
Racine County Alternatives	-	-	-	-	-	-	-	1.00	1.00	1.00
Register of Deeds	7.00	7.00	7.00	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	2.50	2.00	3.00	3.00	3.00	3.00
Victim Witness Office	6.00	6.00	6.00	6.70	6.70	6.70	7.70	7.70	7.70	7.70
Public Health:										
Public Health	-	-	-	-	-	-	-	-	-	34.98
Public Safety:										
Communications / Dispatch (c)	51.00	51.00	51.00	51.00	51.00	52.00	53.00	53.00	54.00	54.98
Emergency Management Office	1.18	1.18	1.08	1.08	1.00	1.00	1.00	2.00	2.00	0.00
Jail and Jail Alternatives	96.08	96.08	96.08	96.08	113.00	113.00	114.00	114.00	113.00	113.00
Sheriff's Office	120.00	122.00	122.00	123.00	129.00	137.00	172.00	170.00	174.00	174.49
Health and Social Services:										
Child Support Division	23.50	21.50	23.60	23.55	23.55	24.55	25.55	25.55	25.50	26.40
Family Court Commissioner (e)	-	-	-	-	-	-	-	-	-	-
Human Services Division	160.30	160.10	157.80	159.15	164.85	203.20	232.90	274.40	293.40	300.50
Ridgewood Care Center	158.28	162.48	161.60	158.50	-	-	-	-	-	-
Education and Recreation:										
County Schools Office (b)	-	-	-	-	-	-	-	-	-	-
Parks Division (a)	10.17	10.31	9.81	9.83	9.08	8.03	9.23	9.96	10.96	14.26
Development:										
Land Conservation Division	2.25	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	4.70
Planning and Development	5.99	5.59	5.59	7.50	6.00	6.45	6.80	6.70	6.70	6.45
Highways and Streets (a)	57.54	54.39	57.61	58.67	60.53	62.70	68.20	67.62	68.62	73.10
	<u>819.45</u>	<u>817.94</u>	<u>817.23</u>	<u>822.77</u>	<u>696.46</u>	<u>757.18</u>	<u>838.38</u>	<u>889.98</u>	<u>914.58</u>	<u>985.64</u>

Notes:

Source - County's annual budget report

(a) Includes Seasonal FTE's

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

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

(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, 2013 through 2022

Function / Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety - Sheriff										
Calls for Service (a) (g)	75,442	78,417	81,808	80,820	74,238	73,927	76,279	65,592	70,953	72,584
Arrests (d) (g)	32,067	29,100	33,531	36,831	34,138	28,732	28,960	18,469	19,498	21,271
Sworn Personnel	136	137	137	141	143	149	161	161	163	158
Average Daily Jail Population	684	674	673	730	717	767	746	562	596	514
Jail Bookings (g)	9,154	9,047	9,090	8,706	8,140	9,153	9,079	5,694	5,337	7,363
Health and Social services - Human Service										
Economic Support Services										
Unduplicated Caseload (b)	24,716	26,284	23,342	26,989	26,261	28,038	26,374	28,472	30,960	31,776
Youth Apprehended (c)	1,134	1,031	926	1,326	891	846	269	209	181	195
Mental Health Inpatient Days	3,769	2,904	2,015	2,088	1,548	1,515	2,291	2,174	2,548	2,922
WDC Job Center of Wisconsin listings (f)	5,747	6,685	8,620	9,035	15,084	11,788	N/A	N/A	N/A	N/A
Ridgewood Healthcare Center "e"										
Admissions	483	396	396	451	366	0	0	0	0	0
Discharges	484	349	324	378	311	0	0	0	0	0
Education and Recreation - Parks (estimated)										
Daily Cliffside Park Camping Nights	5,585	5,887	7,030	9,593	9,021	8,920	8,824	8,192	9,835	11,080
Daily Fischer & Quarry Lake Entrance (g)	24,628	20,663	26,324	25,541	17,831	15,824	14,122	3,761	20,688	14,570
Daily Fischer & Eagle Boat Launches	4,851	5,454	5,006	6,538	5,615	3,795	5,018	4,979	4,283	3,448
Highways and Streets - Lane Miles Maintained										
County	338	338	338	338	338	332	332	321	342	342
State	684	698	698	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

Notes:

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

COUNTY OF RACINE, WISCONSIN
TABLE 16 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2013 through 2022

<u>Function / Program</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>	<u>2021</u>	<u>2022</u>
Public safety										
Sheriff Patrol Units	28	28	29	29	30	28	31	42	42	45
Sheriff Stations	2	2	2	2	2	2	2	2	2	2
Jail Beds	876	876	876	876	876	876	876	876	876	876
Health and social services										
Licensed Beds at Ridgewood Healthcare Center	200	200	200	200	200	0	0	0	0	0
Education and recreation										
Park Acreage:										
Harbor / Marina	127	127	127	131	131	131	131	131	131	131
Fox River Parkway	117	117	117	94	94	94	94	94	94	94
Root River Parkway	676	694	694	655	655	655	655	655	655	655
All Other Park Land	1,484	1,484	1,484	1,485	1,485	1,485	1,485	1,485	1,485	1,541
Bike Trail Miles										
Bike Trail Miles	37	37	37	37	37	37	37	37	37	37
Golf Acreage										
Golf Acreage	427	427	427	446	446	446	446	446	446	446
Highways and streets										
Vehicles and Pieces of Equipment	548	548	548	530	541	633	651	656	657	657
Centerline Miles of County Roads	164	164	164	164	167	164	164	160	163	163
Bridges	17	17	17	17	17	16	16	18	18	18
Dams	6	6	6	6	6	6	6	6	6	6
Car Pool Fleet (Administered by PW)	13	13	13	13	13	13	13	13	10	10

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

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
- (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.