



COUNTY OF RACINE

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For the year ended December 31, 2006

COUNTY OF RACINE, WISCONSIN
Racine, Wisconsin

FINANCIAL REPORT
December 31, 2006

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INTRODUCTORY SECTION

COUNTY OF RACINE



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FINANCE DEPARTMENT
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July 1, 2007

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

State law requires that all general-purpose local governments publish each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of Racine County for the fiscal year ended December 31, 2006.

This report consists of management's representations concerning the finances of Racine County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Racine County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Racine County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Racine County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Racine County's financial statements have been audited by Clifton Gunderson LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Racine County for the fiscal year ended December 31, 2006, are free of material misstatement. 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Racine County's financial statements for the fiscal year ended December 31, 2006, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Racine County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Racine County's separately issued Single Audit Report. 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, created in 1853, 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 337 square miles and consists of two cities, nine villages and seven towns. Racine County serves a population of 194,580.

Racine County operates under the County Executive who is in charge of day to day operation of the County. The County Executive serves for a four year term and is elected on a non-partisan basis. The current term ends in April 2011. Policy-making and legislative authority are vested in the County Board of Supervisors composed of 23 members. All Supervisors are elected to a two-year term on a non-partisan basis. The current term ends April 2008. The County Board is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees. The County Executive is responsible for carrying out the policies and ordinances of the County Board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The County elects the following offices to two year terms on a partisan basis, County Clerk, County Treasurer, Register of Deeds, Clerk of Courts, and District Attorney. The County Sheriff is elected to a four year term on a partisan basis. Effective with the November 2006 election, the Clerk of Courts term of office was extended to four years.

Racine County provides a full range of services, including sheriff and jail; the construction and maintenance of highways, streets, and other infrastructure; health and human services activities; recreational activities and cultural events, as well as conservation and development activities, and nursing home services.

The County is required by State law to annually formulate a budget and to hold public hearings thereon prior to the determination of the amounts to be financed, in whole or in part, by general property taxes, funds on hand or estimated revenues from other sources. 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.

As part of the budgeting process, public hearings are held on the proposed budget, at which time any resident or taxpayer in the County may be heard. At an annual budget meeting in November of each year the County Board adopts the final budget for the succeeding year and levies taxes based on equalized valuations of property less any increment attributable to Tax Increment Districts. The amounts of taxes so levied and the amounts of the various applications in the final budget (after any alterations made pursuant to public hearings) may not be changed unless authorized by a vote of two-thirds of the entire membership of the County Board. Failure to publish notice of any such alteration within ten days thereafter shall preclude any change in the budget.

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. While higher than the State and National unemployment rate, the Racine County rate as of May 2007 was 5.7% which was increased from the May 2006 of 5.3%. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate over the past year. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include manufacturer of commercial and institutional cleaning products, health care services, manufacturer of agricultural and construction equipment, and the manufacturer of household and commercial disposer systems. Supporting our industrial base is a network of local, county and state roads.

As of May 2007, Racine County has an employed labor force of approximately 99,130. Manufacturing accounts for approximately 23% of Employment.

Long-term financial planning. Racine County has adopted The Strategic Economic Development Plan for Racine County. Throughout 2001, the Racine County Economic Development Corporation (RCEDC) and its partners, together with over 100 individuals throughout Racine County, engaged in a comprehensive strategic planning process. The goal was to develop a 5-year economic development plan that responds to changing national economic conditions, including the impact of technology on business and the loss of jobs in our community. The result is a series of strategies and action items for the RCEDC and its partners which are specific to the future economic vitality of Racine County. The most recent version of the plan was adopted in May of 2005.

The County has received a declining amount of shared revenue from the state over the past several years. This trend stabilized in 2006 and 2007.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Treasury, the State of Wisconsin Local Government Investment Pool, Wells Fargo Short Term Investments, and M&I Trust Company.

Risk management. 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 \$425,000 up to a maximum of \$1,000,000 and aggregate claims in excess of \$1,850,000 up to a maximum of \$5,000,000.

The County is self funded for medical expenses of employees and eligible retirees. Third party coverage is currently maintained for the full cost of transplants and for all other individual claims in excess of \$250,000 up to a maximum of \$1,750,000.

The County self funds for public liability and automobile coverage.

Additional information on Racine County's risk management activity can be found in Note V.C of the notes to the financial statements.

Pension and other postemployment benefits. The County provides pension benefits for all eligible employees through the State of Wisconsin Retirement System. The County fully funds the required contribution to the pension plan as determined by the State of Wisconsin Retirement Systems Actuary. An actuarially determined prior service liability does exist and is more fully described in note V of the notes to the basic financial statements.

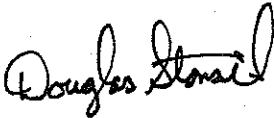
Racine County also provides postemployment health benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 564 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information on Racine County's pension arrangements and postemployment benefits can be found in Notes IV of the notes to the financial statements.

Acknowledgements

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. We would like to express our 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's finances.

Respectfully submitted,

A handwritten signature in black ink that reads "Douglas Stansil". The signature is written in a cursive style with a large, looping initial "D".

Douglas Stansil
Finance Director

... and ...

...

...

FINANCIAL SECTION

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison information of the County of Racine, Wisconsin, as of and for the year ended December 31, 2006, which collectively comprise the County of Racine, Wisconsin's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Racine, Wisconsin's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the County's 2005 financial statements and, in our report dated June 20, 2006, we expressed unqualified opinions on the basic financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for the County of Racine, Wisconsin, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the County Handicapped Education Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2007 on our consideration of the County of Racine, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Racine, Wisconsin's basic financial statements. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gundersen LLP

Racine, Wisconsin
July 30, 2007

**County of Racine
Management's Discussion and Analysis
December 31, 2006**

As management of Racine County, we offer readers of Racine County's financial statements this narrative overview and analysis of the financial activities of Racine County for the fiscal year ended December 31, 2006. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of Racine County exceeded its liabilities, at the close of the most recent fiscal year by \$101,323 (*net assets*). Of this amount, \$30,269 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$7.83
- As of the close of the current fiscal year, Racine County's governmental funds reported combined ending fund balances of \$59,656, an increase of \$19,318 in comparison with the prior year. Approximately half of this total amount, \$22,839, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$16,296, or 16 percent of total General Fund expenditures.
- Racine County's total general obligation debt increased by \$17,844 during the current fiscal year. The key factor in this increase was the issuance of \$ 18,970 in general obligation bonds for a 2006 jail project and the issuance of \$2,065 of general obligation notes for various capital projects.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Racine County's basic financial statements. Racine 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. The *government-wide financial statements* are designed to provide readers with a broad overview of Racine County's finances in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 the government-wide financial statements distinguish functions of Racine 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, highways and streets, health and social services,

**County of Racine
Management's Discussion and Analysis
December 31, 2006**

development, and education and recreation. The business-type activities of Racine County include Ridgewood Health Care Facility and Golf Course Operations.

The government-wide financial statements include not only Racine County itself (known as the *primary government*), but also a legally separate Housing Authority. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12 - 13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Racine 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 Racine County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows 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 between *governmental funds* and *governmental activities*.

Racine County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the County Handicapped Education Special Revenue Fund and the Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Racine County adopts an annual appropriated budget for its General Fund and County Handicapped Education Special Revenue Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budgets.

The basic governmental fund financial statements can be found on pages 14 - 19 of this report.

Proprietary funds. Racine County maintains two different types of proprietary funds. *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 Health Care Center and for its Golf Course Operations. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among Racine County's various functions. Racine County uses an internal service fund to account for its Highway Department. Because this service predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Ridgewood Health Care Facility and Golf Course Operations, both of which are considered to be major funds of Racine County.

The basic proprietary fund financial statements can be found on pages 20 - 22 of this report.

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

The basic fiduciary fund financial statement can be found on page 23 of this report.

Notes to the financial statements. The notes 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 24 - 55 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes. Combining and individual fund statements and schedules can be found on pages 57 - 65 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Racine County, assets exceeded liabilities by \$101,323 at the close of the most recent fiscal year.

The largest portion of Racine County's net assets, 69 percent, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Racine 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.

RACINE COUNTY NET ASSETS

	Governmental Activities 2006	Governmental Activities 2005	Business-type Activities 2006	Business-type Activities 2005	Total 2006	Total 2005
Current and other assets	\$ 126,167	\$ 111,104	\$ 612	\$ 2,082	\$ 126,779	\$ 113,186
Capital assets	84,037	77,833	10,346	9,362	94,383	87,195
Total assets	210,204	188,937	10,958	11,444	221,162	200,381
Long-term liabilities outstanding	51,886	34,182	5,794	6,580	57,681	40,762
Other liabilities	61,096	65,365	1,061	762	62,158	66,127
Total liabilities	112,982	99,547	6,855	7,342	119,839	106,889
Net assets:						
Invested in capital assets, net of related debt	65,979	60,278	4,439	3,033	70,417	63,311
Restricted	637	1,141	-	-	637	1,141
Unrestricted	30,605	27,971	(336)	1,069	30,269	29,040
Total net assets	\$ 97,221	\$ 89,390	\$ 4,103	\$ 4,102	\$ 101,323	\$ 93,492

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Management's Discussion and Analysis
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An additional portion of Racine County's net assets (1 percent) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets, \$30,269 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's net assets increased by \$7,832 during the current fiscal year.

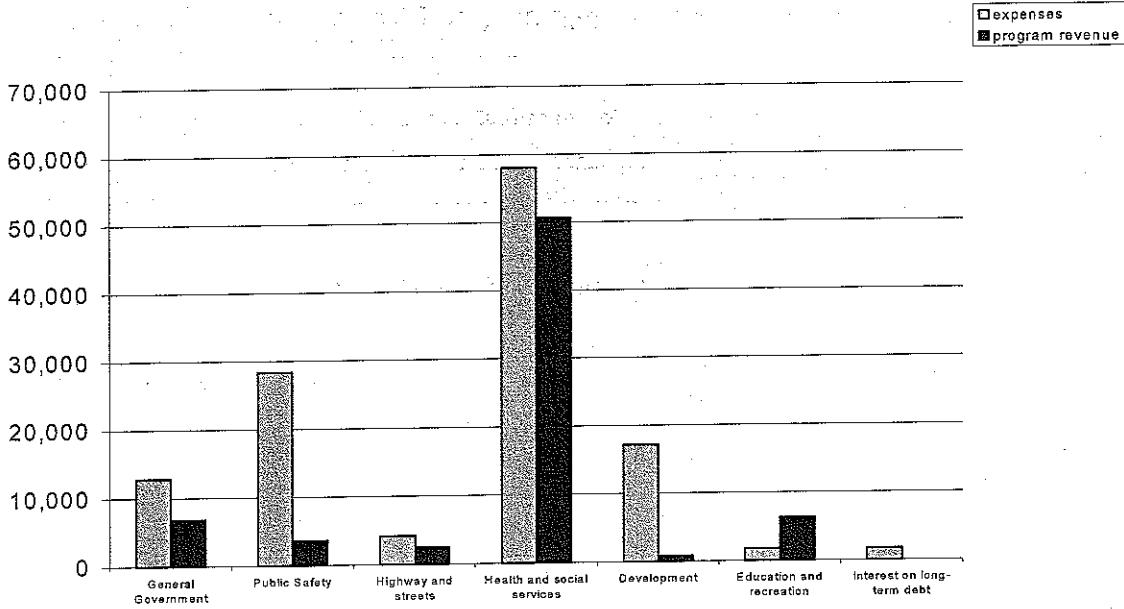
RACINE COUNTY CHANGE IN NET ASSETS

	Governmental Activities 2006	Governmental Activities 2005	Business-type Activities 2006	Business-type Activities 2005	Total 2006	Total 2005
Revenues:						
Program revenues:						
Charges for services	\$ 11,764	\$ 15,981	\$ 14,017	\$ 11,930	\$ 25,781	\$ 27,911
Operating grants and contributions	58,715	58,782	-	-	\$ 58,715	58,782
Capital grants and contributions	240	1,213	-	-	240	1,213
General revenues:						
Property taxes	52,097	50,513	-	-	52,097	50,513
Grants and contributions not restricted to specific programs	4,557	6,420	-	-	4,557	6,420
Other	6,321	5,537	-	-	6,321	5,537
Total revenues	133,694	138,446	14,017	11,930	147,711	150,376
Expenses:						
General Government	12,835	15,211	-	-	12,835	15,211
Public Safety	28,361	27,309	-	-	28,361	27,309
Highways and streets	4,184	8,582	-	-	4,184	8,582
Health and social services	58,035	57,866	-	-	58,035	57,866
Development	1,797	1,466	-	-	1,797	1,466
Education and recreation	17,167	18,384	-	-	17,167	18,384
Interest on long-term debt	1,729	1,157	-	-	1,729	1,157
Golf	-	-	223	204	223	204
Nursing Home	-	-	15,549	15,267	15,549	15,267
Total expenses	124,108	129,975	15,771	15,471	139,879	145,446
Increase in net assets before transfers	9,586	8,471	(1,754)	(3,541)	7,832	4,930
Transfers	(1,755)	(3,503)	1,755	3,503	-	-
Increase (decrease) in net assets	7,831	4,968	1	(38)	7,832	4,930
Net assets - beginning -revised	89,390	84,422	4,102	4,141	93,492	88,563
Net assets - ending	\$ 97,221	\$ 89,390	\$ 4,103	\$ 4,103	\$ 101,324	\$ 93,493

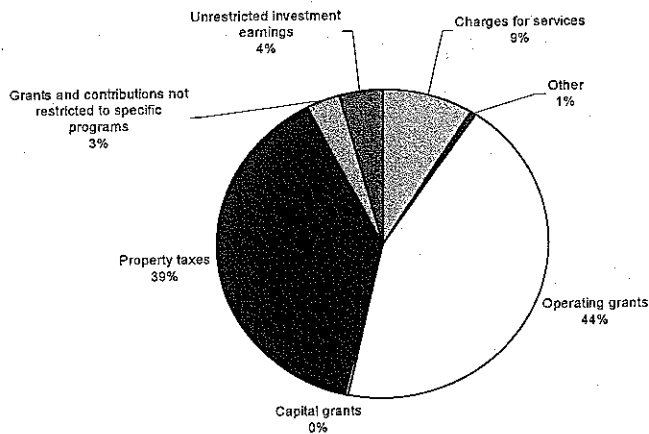
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Governmental activities. Governmental activities increased Racine County's net assets by \$7,83.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

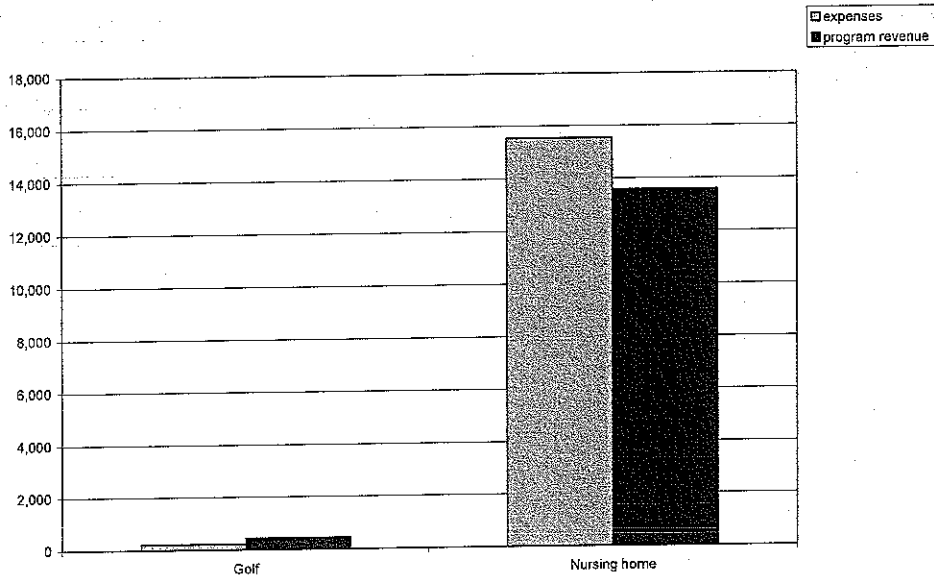


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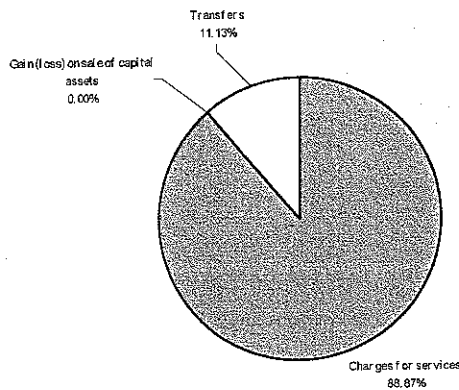
For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities. Business-type activities decreased Racine County's net assets by \$31.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business Type Activities



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Financial Analysis of Racine County's Funds

As noted earlier, Racine 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 Racine County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Racine County's governmental funds reported combined ending fund balances of \$59,656 a increase of \$19,319 in comparison with the prior year. Approximately half of this total amount \$22,839 constitutes *unreserved, undesignated fund balance*, which is available for spending at the governments' discretion. The remainder of fund balance is *reserved* or *designated* to indicate that it is not available for new spending because it has already been committed 1) to pay debt service, 2) carryovers and encumbrances, 3) tax stabilization, 4) delinquent property taxes, 5) jail improvement, or 6) the subsequent years budget.

The General Fund is the chief operating fund of Racine County. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$16,296, while total fund balance reached \$34,850. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 16 percent of total General Fund expenditures, while total fund balance represents 34 percent of that same amount.

The fund balance of Racine County's General Fund, increased by \$6,214 during the current fiscal year. Key factors in this decrease are as follows:

- Less than anticipated health care net costs
- Employee and retiree medical costs less than projected amounts
- Higher interest earnings
- Better than expected workers compensation costs.

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

Unrestricted net assets of the Ridgewood Health Care Center at the end of the year amounted to a deficit of \$(750) and those for golf course operations amounted to \$415. Ridgewood Net Assets increased by \$86, while Golf Course net assets decreased by \$86.

General Fund Budgetary Highlights

Significant differences between the original budget and the final amended budget (\$8,237 increase in appropriations) can be briefly summarized as follows:

- \$6,266 Carryovers and encumbrances from prior year
- \$995 Human Services Grant increases
- \$260 Revenue transfers for unbudgeted planned expenses
- \$1,632 Carry forward State Community Development Block Grant Authorization
- \$158 Additional Grants awarded for various county programs

**County of Racine
Management's Discussion and Analysis
December 31, 2006**

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, 2006 amounts to \$94,383 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- Construction of CTH U \$1,829
- Construction of Sheriff shooting range \$1,417
- Construction in progress of the Ridgewood Health Care center \$1,643
- Construction in progress of the county jail \$5,680

RACINE COUNTY CAPITAL ASSETS
(net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2006	2005	2006	2005	2006	2005
Land	\$ 20,719	\$ 20,404	\$ 1,132	\$ 1,132	\$ 21,851	\$ 21,536
Construction in progress	6,423	798	1,712	227	8,135	1,025
Buildings and systems	26,173	26,284	4,536	4,796	30,709	31,080
Improvements other than buildings	5,295	5,180	1,969	2,130	7,264	7,310
Machinery and equipment	8,555	9,419	997	1,078	9,552	10,497
Infrastructure	16,872	15,748	0	0	16,872	15,748
Total	\$ 84,037	\$ 77,833	\$ 10,346	\$ 9,363	\$ 94,383	\$ 87,196

Additional information on Racine County's capital assets can be found in note III.C of this report.

Long-term debt. At the end of the current fiscal year, Racine County had total general obligation debt outstanding of \$51,847. All of this comprises debt backed by the full faith and credit of the government.

RACINE COUNTY OUTSTANDING DEBT
General Obligation and Revenue Bonds

	Governmental		Business-type		Total	
	Activities		Activities			
	2006	2005	2006	2005	2006	2005
General Obligation notes & bonds	\$45,939	\$27,674	\$ 5,908	\$ 6,328	\$ 51,847	\$ 34,002
Total	\$ 45,939	\$ 27,674	\$ 5,908	\$ 6,328	\$ 51,847	\$ 34,002

Racine County's total general obligation debt increased by \$ \$17,845 (51 percent) during the current fiscal year. The key factor in this increase was a \$2,065 note issuance for various capital projects and bonds issued for \$18,970 for jail renovation and expansion.

Racine County maintained an "Aa2" rating from Moody's for general obligation debt.

**County of Racine
Management's Discussion and Analysis
December 31, 2006**

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total assessed valuation. The current debt limitation for Racine County is \$741 million which is significantly in excess of Racine County's outstanding general obligation debt.

Additional information on Racine County's long-term debt can be found in note III.E of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Racine County as of May 2006 is 5.7 percent, which is less than the 5.3% rate a year ago. This compares unfavorably to the state's average unemployment rate of 4.9 %.
- The economic condition and outlook of the County has remained fairly stable over the last year.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing Racine County's budget for the 2007 fiscal year. The State of Wisconsin imposed tax levy limits at the 1992 tax rate for debt service and operations. The tax rate cannot exceed the limit unless the County meets one of the exceptions under statute. Racine County was \$14,644 under the operating rate limit and \$1,094 under the debt service rate limit for the 2007 budget.

A tax levy limit was imposed by the State of Wisconsin for the 2007 budget year. The levy limit limits the growth of the tax levy for the sum of the General Countywide, Library, and Bridge Aids levies to the percentage change in the County's equalized property value attributable to new construction (but not less than 2%) plus the increase in debt service for general obligation debt. The County levy for Handicapped education is exempt from the levy limit. Racine County was \$793 under the tax levy limit.

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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 730 Wisconsin Ave, Racine, WI 53403.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF NET ASSETS
December 31, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing Authority
ASSETS				
Cash and cash equivalents	\$ 32,368,940	\$ 815,365	\$ 33,184,305	\$ 1,984,922
Investments	17,268,212	-	17,268,212	-
Receivables (net of allowance for uncollectibles)	71,015,827	2,666,221	73,682,048	179,592
Internal balances	3,325,242	(3,325,242)	-	-
Due from housing authority	5,012	-	5,012	-
Inventories	663,674	50,636	714,310	-
Prepaid items	806,550	79,655	886,205	31,111
Deferred charges	326,942	177,569	504,511	-
Restricted assets:				
Cash and cash equivalents		147,908	147,908	-
Investments	386,237	-	386,237	-
Capital assets not being depreciated:				
Land	20,718,555	1,131,761	21,850,316	96,000
Construction in progress	6,422,857	1,712,126	8,134,983	-
Capital assets (net of accumulated depreciation):				
Buildings	26,173,084	4,535,731	30,708,815	838,591
Improvements other than buildings	5,295,040	1,969,068	7,264,108	64,113
Machinery and equipment	8,554,677	997,715	9,552,392	861
Infrastructure	16,872,403	-	16,872,403	-
Total assets	210,203,252	10,958,513	221,161,765	3,195,190
LIABILITIES				
Accounts payable and other current liabilities	12,032,592	954,227	12,986,819	102,778
Accrued interest payable	378,326	30,243	408,569	-
Due to other governments	211,279	-	211,279	-
Due to trusts	370,103	-	370,103	-
Unearned revenues	48,103,994	-	48,103,994	24,167
Deposits	-	76,635	76,635	-
Noncurrent liabilities:				
Due within one year	6,995,840	422,677	7,418,517	-
Due in more than one year	44,890,268	5,371,724	50,261,992	-
Total liabilities	112,982,402	6,855,506	119,837,908	126,945
NET ASSETS				
Invested in capital assets, net of related debt	65,978,699	4,438,689	70,417,388	999,565
Restricted for:				
Debt service	316,243	-	316,243	-
Endowments	321,008	-	321,008	-
Unrestricted	30,604,900	(335,682)	30,269,218	2,068,680
Total net assets	\$ 97,220,850	\$ 4,103,007	\$ 101,323,857	\$ 3,068,245

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2006

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total	
			Grants and Contributions	Capital Grants and Contributions				
Primary government:								
Governmental activities:								
General government	\$ 12,835,356	\$ 4,969,487	\$ 1,849,390	\$ -	\$ (6,016,479)	\$ -	\$ (6,016,479)	\$ -
Public safety	28,360,700	2,550,205	1,056,166	1,539	(24,752,790)	-	(24,752,790)	-
Health and social services	58,034,621	3,369,743	47,305,183	-	(7,359,695)	-	(7,359,695)	-
Development	1,797,075	627,803	172,989	-	(996,283)	-	(996,283)	-
Education and recreation	17,167,001	247,248	6,078,183	-	(10,841,570)	-	(10,841,570)	-
Highways and streets	4,185,199	-	2,253,562	238,343	(1,693,294)	-	(1,693,294)	-
Interest and fiscal charges	1,728,911	-	-	-	(1,728,911)	-	(1,728,911)	-
Total governmental activities	124,108,863	11,764,486	58,715,473	239,882	(53,389,022)	-	(53,389,022)	-
Business-type activities:								
Golf	223,706	432,681	-	-	-	208,975	208,975	-
Nursing home	15,548,773	13,584,355	-	-	-	(1,964,418)	(1,964,418)	-
Total business-type activities	15,772,479	14,017,036	-	-	-	(1,755,443)	(1,755,443)	-
Total primary government	139,881,342	25,781,522	58,715,473	239,882	(53,389,022)	(1,755,443)	(55,144,465)	-
Component unit:								
Housing Authority	7,647,919	153,278	8,099,498	-	-	-	-	604,857

General Revenues:								
Property taxes for general purposes					49,025,733	-	49,025,733	-
Property taxes for debt service					3,071,486	-	3,071,486	-
Other taxes					62,939	-	62,939	-
Grants and contributions not restricted to specific programs					4,557,451	-	4,557,451	-
Unrestricted investment earnings					5,465,557	-	5,465,557	57,420
Other					791,759	-	791,759	33,523
Transfers					(1,755,412)	1,755,412	-	-
Total general revenues and transfers					61,219,513	1,755,412	62,974,925	90,943
Change in net assets					7,830,491	(31)	7,830,460	695,800
NET ASSETS								
Beginning of year					89,390,359	4,103,038	93,493,397	2,372,445
End of Year					\$ 97,220,850	\$ 4,103,007	\$ 101,323,857	\$ 3,068,245

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2006

	General	County Handicapped Education	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 30,200,470	\$ -	\$ -	\$ 2,167,770	\$ 32,368,240
Investments	17,268,212	-	-	-	17,268,212
Receivables:					
Property taxes:					
Current year levy	43,376,771	792,456	-	3,861,869	48,031,096
Delinquent	6,171,228	-	-	-	6,171,228
Due from other governments	6,235,773	4,181,988	-	-	10,417,761
Interest and penalties	2,286,327	-	-	-	2,286,327
Other	2,899,422	-	411,475	-	3,310,897
Due from other funds	5,013,135	506,575	17,462,448	2,439,014	25,421,172
Due from housing authority	5,012	-	-	-	5,012
Inventories	48,864	-	-	-	48,864
Prepaid items	782,502	-	21,703	-	804,205
Restricted assets:					
Investments	-	-	-	386,237	386,237
Total assets	<u>\$ 114,287,716</u>	<u>\$ 5,481,019</u>	<u>\$ 17,895,626</u>	<u>\$ 8,854,890</u>	<u>\$ 146,519,251</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 7,170,759	\$ 94,040	\$ 1,041,633	\$ 97,169	\$ 8,403,601
Accrued liabilities	2,941,147	-	-	-	2,941,147
Due to other governments	211,279	-	-	-	211,279
Due to other funds	22,670,538	-	-	1,538,430	24,208,968
Deferred revenues					
Current year property tax levy	43,376,771	792,456	-	3,861,869	48,031,096
Other	3,067,303	-	-	-	3,067,303
Total liabilities	<u>79,437,797</u>	<u>886,496</u>	<u>1,041,633</u>	<u>5,497,468</u>	<u>86,863,394</u>
FUND BALANCES					
Reserved for:					
Delinquent property taxes	5,487,468	-	-	-	5,487,468
Inventories and prepaids	830,097	-	-	-	830,097
Noncurrent receivables	-	-	400,000	-	400,000
Encumbrances	2,513,151	-	2,996,090	-	5,509,241
Jail improvement	45,070	-	13,851,508	-	13,896,578
Debt retirement	-	-	-	694,569	694,569
Endowments	-	-	-	321,008	321,008
Unreserved- designated for:					
Non-lapsing accounts	9,677,719	-	-	-	9,677,719
Unreserved- reported in:					
General fund	16,296,414	-	-	-	16,296,414
Special revenue funds	-	4,594,523	-	2,341,845	6,936,368
Capital projects fund	-	-	(393,605)	-	(393,605)
Total fund balances	<u>34,849,919</u>	<u>4,594,523</u>	<u>16,853,993</u>	<u>3,357,422</u>	<u>59,655,857</u>
Total liabilities and fund balances	<u>\$ 114,287,716</u>	<u>\$ 5,481,019</u>	<u>\$ 17,895,626</u>	<u>\$ 8,854,890</u>	<u>\$ 146,519,251</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
December 31, 2006

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

Fund balances of governmental funds	\$	59,655,857
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land		20,718,555
Buildings, net of accumulated depreciation		26,173,084
Improvements other than buildings, net of accumulated depreciation		5,295,040
Machinery and equipment, net of accumulated depreciation		8,554,677
Infrastructure, net of accumulated depreciation		16,872,403
Construction in progress		6,422,857
Less: Internal service fund capital assets, net of depreciation		(5,363,397)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
		2,994,405
Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation debt		(45,596,271)
Premium on long-term debt		(174,369)
Unamortized loss on refunding		206,177
Compensated absences		(3,839,569)
Claims and judgments		(2,139,804)
Accrued interest on long-term debt		(378,326)
Deferred charges		326,942
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service activities to individual funds. The assets and liabilities of the internal services funds are in governmental activities.		
		<u>7,492,589</u>
Net assets of governmental activities	\$	<u>97,220,850</u>

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

COUNTY OF RACINE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2006

	General	County Handicapped Education	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 42,523,132	\$ 6,768,265	\$ -	\$ 3,097,286	\$ 52,388,683
Intergovernmental	53,766,134	5,924,021	1,283,576	2,491,905	63,465,636
Fines and fees	8,010,299	-	-	-	8,010,299
Investment income	4,485,042	146,978	730,165	103,372	5,465,557
Miscellaneous	3,866,888	44	3,064	712,211	4,582,207
Total revenues	<u>112,651,495</u>	<u>12,839,308</u>	<u>2,016,805</u>	<u>6,404,774</u>	<u>133,912,382</u>
EXPENDITURES					
Current:					
General government	12,843,110	-	-	-	12,843,110
Public safety	26,243,408	-	-	-	26,243,408
Health and social services	57,602,914	-	-	-	57,602,914
Education and recreation	4,511,904	12,730,050	-	840	17,242,794
Development	1,614,327	-	-	-	1,614,327
Highways and streets	-	-	-	5,059,296	5,059,296
Capital outlay	165,173	14,943	8,094,361	-	8,274,477
Debt service:					
Principal retirement	-	-	-	2,736,264	2,736,264
Interest and fiscal charges	-	-	208,444	1,481,787	1,690,231
Total expenditures	<u>102,980,836</u>	<u>12,744,993</u>	<u>8,302,805</u>	<u>9,278,187</u>	<u>133,306,821</u>
Revenues over (under) expenditures	<u>9,670,659</u>	<u>94,315</u>	<u>(6,286,000)</u>	<u>(2,873,413)</u>	<u>605,561</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,499,476	-	789,645	3,854,560	6,143,681
Transfers out	(4,958,886)	-	(2,521,262)	(1,140,854)	(8,621,002)
Proceeds of general obligation debt	-	-	21,035,000	-	21,035,000
Premium on long term debt	-	-	152,954	-	152,954
Sale of capital assets	2,638	-	-	-	2,638
Total other financing sources (uses)	<u>(3,456,772)</u>	<u>-</u>	<u>19,456,337</u>	<u>2,713,706</u>	<u>18,713,271</u>
Revenues and other financing sources under expenditures and other financing uses	6,213,887	94,315	13,170,337	(159,707)	19,318,832
FUND BALANCES					
Beginning of year	<u>28,636,032</u>	<u>4,500,208</u>	<u>3,683,656</u>	<u>3,517,129</u>	<u>40,337,025</u>
End of year	<u>\$ 34,849,919</u>	<u>\$ 4,594,523</u>	<u>\$ 16,853,993</u>	<u>\$ 3,357,422</u>	<u>\$ 59,655,857</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2006

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

Net changes in fund balances - total governmental funds	\$ 19,318,832
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net assets 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.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	8,274,477
Some items reported as current expenditures were capitalized	1,735,950
Depreciation is reported in the government-wide financial statements	(3,622,336)
Net book value of assets retired	(28,487)
The net revenue (expense) of the internal service fund is reported with governmental activities.	333,646
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.	(220,254)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental</p>	
Debt issued	(21,035,000)
Principal repaid	2,736,264
<p>Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses) or expenditures. However, in the statement of net assets, these are deferred and reported as other assets 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.</p>	
Debt premium	(152,954)
Debt issuance costs	208,444
Amortization of debt premium	36,185
Amortization of debt issuance costs	(26,899)
Amortization of loss on refunding	(15,860)
<p>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.</p>	
Accrued interest on long-term debt	(240,550)
Compensated absences	239,659
Claims and judgments	289,374
Changes in net assets of the governmental activities	\$ 7,830,491

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2006

	Budgeted Amount		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 42,460,193	\$ 42,460,193	\$ 42,523,132	\$ 62,939
Intergovernmental	55,996,041	60,372,590	53,766,134	(6,606,456)
Fines and fees	9,187,740	9,259,283	8,010,299	(1,248,984)
Investment income	3,252,548	3,272,407	4,485,042	1,212,635
Miscellaneous	3,412,787	3,712,557	3,866,888	154,331
Total revenues	<u>114,309,309</u>	<u>119,077,030</u>	<u>112,651,495</u>	<u>(6,425,535)</u>
EXPENDITURES				
Current:				
General government	17,154,100	20,829,522	12,843,110	7,986,412
Public safety	27,718,085	28,318,454	26,243,408	2,075,046
Health and social services	59,165,375	61,144,787	57,602,914	3,541,873
Education and recreation	4,231,771	4,529,187	4,511,904	17,283
Development	1,631,806	3,306,753	1,614,327	1,692,426
Capital outlay	169,634	179,107	165,173	13,934
Total expenditures	<u>110,070,771</u>	<u>118,307,810</u>	<u>102,980,836</u>	<u>15,326,974</u>
Excess (deficiency) of revenues over expenditures	<u>4,238,538</u>	<u>769,220</u>	<u>9,670,659</u>	<u>8,901,439</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	10,032,272	1,499,476	(8,532,796)
Transfers out	-	(14,301,996)	(4,958,886)	9,343,110
Sale of capital assets	-	115,000	2,638	(112,362)
Total other financing sources (uses)	<u>-</u>	<u>(4,154,724)</u>	<u>(3,456,772)</u>	<u>697,952</u>
Net change in fund balances	4,238,538	(3,385,504)	6,213,887	9,599,391
FUND BALANCES				
Beginning of year	<u>28,636,032</u>	<u>28,636,032</u>	<u>28,636,032</u>	<u>-</u>
End of year	<u>\$ 32,874,570</u>	<u>\$ 25,250,528</u>	<u>\$ 34,849,919</u>	<u>\$ 9,599,391</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
COUNTY HANDICAPPED EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2006

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget-</u>
				<u>(Negative)</u>
REVENUES				
Taxes	\$ 6,768,265	\$ 6,768,265	\$ 6,768,265	\$ -
Intergovernmental	5,098,789	5,098,789	5,924,021	825,232
Investment income	82,244	82,244	146,978	64,734
Miscellaneous	-	-	44	44
Total revenues	<u>11,949,298</u>	<u>11,949,298</u>	<u>12,839,308</u>	<u>890,010</u>
EXPENDITURES				
Current:				
Education and recreation	11,949,298	11,949,298	12,730,050	(780,752)
Capital outlay	-	-	14,943	(14,943)
Total expenditures	<u>11,949,298</u>	<u>11,949,298</u>	<u>12,744,993</u>	<u>(795,695)</u>
Net change in fund balances	-	-	94,315	94,315
FUND BALANCES				
Beginning of year	<u>4,500,208</u>	<u>4,500,208</u>	<u>4,500,208</u>	-
End of year	<u>\$ 4,500,208</u>	<u>\$ 4,500,208</u>	<u>\$ 4,594,523</u>	<u>\$ 94,315</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2006 and 2005

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Ridgewood Healthcare Center Current Year	Ridgewood Healthcare Center Prior Year	Golf Courses Current Year	Golf Courses Prior Year	Totals Current Year	
ASSETS						
Current assets						
Cash and cash equivalents	\$ 2,000	\$ 2,000	\$ 813,365	\$ 718,257	\$ 815,365	\$ 700
Receivables (net of allowance for uncollectibles)	2,656,662	1,408,623	9,559	-	2,666,221	15,876
Due from other governments	-	-	-	-	-	782,642
Due from other funds	-	-	-	-	-	2,607,853
Inventories	50,636	61,441	-	-	50,636	614,810
Prepaid items	79,655	12,412	-	-	79,655	2,345
Deferred charges	177,569	190,589	-	-	177,569	-
Noncurrent assets						
Restricted assets:						
Cash and cash equivalents	147,908	157,531	-	-	147,908	-
Capital assets not being depreciated:						
Land	-	-	1,131,761	1,131,761	1,131,761	-
Construction in progress	1,643,189	226,985	68,937	-	1,712,126	-
Capital assets (net of accumulated depreciation):						
Buildings	3,631,493	3,868,638	904,238	926,904	4,535,731	1,253,219
Improvements other than build	22,203	28,414	1,946,865	2,101,344	1,969,068	1,078,482
Machinery and equipment	997,715	1,078,196	-	-	997,715	3,031,696
Total assets	9,409,030	7,034,829	4,874,725	4,878,266	14,283,755	9,387,623
LIABILITIES						
Current liabilities						
Accounts payable and other current liabilities	953,630	966,272	597	52,393	954,227	687,844
Accrued interest payable	20,243	17,151	10,000	10,000	30,243	-
Due to other funds	2,927,757	205,613	397,485	263,205	3,325,242	864,918
Deposits	76,635	88,346	-	-	76,635	-
Noncurrent liabilities						
Due within one year	422,677	420,772	-	-	422,677	-
Due in more than one year (net of unamortized discounts and deferred amount on refunding)	5,371,724	5,786,305	-	-	5,371,724	342,272
Total liabilities	9,772,666	7,484,459	408,082	325,598	10,180,748	1,895,034
NET ASSETS						
Invested in capital assets, net of related debt	386,888	(1,126,250)	4,051,801	4,160,009	4,438,689	-
Unrestricted	(750,524)	676,620	414,842	392,659	(335,682)	7,492,589
Total net assets (deficit)	\$ (363,636)	\$ (449,630)	\$ 4,466,643	\$ 4,552,668	\$ 4,103,007	\$ 7,492,589

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
For the Years Ended December 31, 2006 and 2005

	Business-type Activities - Enterprise Funds						Governmental Activities- Internal Services Fund
	Ridgewood Healthcare Center Current Year	Ridgewood Healthcare Center Prior Year	Golf Courses Current Year	Golf Courses Prior Year	Totals Current Year	Totals Current Year	
OPERATING REVENUES							
Resident charges for services, net	\$ 13,557,356	\$ 11,472,005	\$ -	\$ -	\$ 13,557,356	\$ -	7,081,296
Highway charges and fees	-	-	-	-	-	-	2,872
Other	26,999	52,625	432,681	405,133	459,680	-	-
Total operating revenues	<u>13,584,355</u>	<u>11,524,630</u>	<u>432,681</u>	<u>405,133</u>	<u>14,017,036</u>	<u>7,084,168</u>	
OPERATING EXPENSES							
Resident services	6,049,148	6,130,206	-	-	6,049,148	-	-
Operations and maintenance	3,289,130	3,114,808	223,706	203,698	3,512,836	-	-
Administration	5,344,139	5,168,649	-	-	5,344,139	-	-
Highway maintenance	-	-	-	-	-	7,465,005	-
Other	608,273	635,016	-	-	608,273	-	-
Total operating expenses	<u>15,290,690</u>	<u>15,048,679</u>	<u>223,706</u>	<u>203,698</u>	<u>15,514,396</u>	<u>7,465,005</u>	
Operating (loss) income	<u>(1,706,335)</u>	<u>(3,524,049)</u>	<u>208,975</u>	<u>201,435</u>	<u>(1,497,360)</u>	<u>(380,837)</u>	
NONOPERATING REVENUE (EXPENSE)							
Interest expense	(237,926)	(209,177)	-	-	(237,926)	-	-
Other	(20,157)	(10,114)	-	-	(20,157)	-	-
Loss on disposal of assets	-	-	-	-	-	(7,426)	-
Total non-operating revenue (expense)	<u>(258,083)</u>	<u>(219,291)</u>	<u>-</u>	<u>-</u>	<u>(258,083)</u>	<u>(7,426)</u>	
Income (loss) before transfers	<u>(1,964,418)</u>	<u>(3,743,340)</u>	<u>208,975</u>	<u>201,435</u>	<u>(1,755,443)</u>	<u>(388,263)</u>	
TRANSFERS							
Transfers in	2,050,412	3,778,343	-	-	2,050,412	796,529	
Transfers out	-	-	(295,000)	(275,000)	(295,000)	(74,620)	
Total net transfers	<u>2,050,412</u>	<u>3,778,343</u>	<u>(295,000)</u>	<u>(275,000)</u>	<u>1,755,412</u>	<u>721,909</u>	
Change in net assets	85,994	35,003	(86,025)	(73,565)	(31)	333,646	
NET ASSETS							
Beginning of year	(449,630)	(484,633)	4,552,668	4,626,233	4,103,038	7,158,943	
End of year	<u>\$ (363,636)</u>	<u>\$ (449,630)</u>	<u>\$ 4,466,643</u>	<u>\$ 4,552,668</u>	<u>\$ 4,103,007</u>	<u>\$ 7,492,589</u>	

The accompanying notes are an integral part of the statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Services Fund
	Ridgewood Healthcare Center	Golf Courses	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers and users	\$ 12,336,316	\$ 423,122	\$ 12,759,438	\$ 6,762,396
Received (paid) from interfund services provided	2,722,144	134,280	2,856,424	(430,268)
Paid to suppliers	(11,063,658)	(87,244)	(11,150,902)	(3,106,237)
Paid to employees	(3,881,578)	-	(3,881,578)	(3,503,360)
Net cash provided (used) by operating activities	<u>113,224</u>	<u>470,158</u>	<u>583,382</u>	<u>(277,470)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	<u>2,050,412</u>	<u>(295,000)</u>	<u>1,755,412</u>	<u>721,909</u>
Net cash provided (used) by noncapital financing activities	<u>2,050,412</u>	<u>(295,000)</u>	<u>1,755,412</u>	<u>721,909</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(1,517,654)	(80,050)	(1,597,704)	(417,756)
Proceeds from sale of capital assets	-	-	-	7,545
Debt retired	(420,771)	-	(420,771)	(34,228)
Interest paid on debt	(234,834)	-	(234,834)	-
Net cash used in capital and related financing activities	<u>(2,173,259)</u>	<u>(80,050)</u>	<u>(2,253,309)</u>	<u>(444,439)</u>
Net increase in cash and cash equivalents	(9,623)	95,108	85,485	-
CASH AND CASH EQUIVALENTS				
Beginning of year	<u>159,531</u>	<u>718,257</u>	<u>877,788</u>	<u>700</u>
End of year	<u>\$ 149,908</u>	<u>\$ 813,365</u>	<u>\$ 963,273</u>	<u>\$ 700</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,706,335)	\$ 208,975	\$ (1,497,360)	\$ (380,837)
Adjustments to reconcile to net cash provided (used) in operating activities:				
Depreciation	426,243	188,258	614,501	566,144
Bad debt expense	16,021	-	16,021	-
Loss on disposal of fixed assets	-	-	-	(7,426)
Other assets	(8,094)	-	(8,094)	-
Changes in assets and liabilities:				
Receivables	(1,264,060)	(9,559)	(1,273,619)	(321,772)
Due from other funds	-	-	-	(430,268)
Inventories	10,805	-	10,805	(45,932)
Prepaid items	(59,147)	-	(59,147)	402
Due to other funds	2,722,144	134,280	2,856,424	435,792
Accounts payable	(24,205)	(51,796)	(76,001)	(124,603)
Other liabilities	(148)	-	(148)	31,030
Net cash provided (used) by operating activities	<u>\$ 113,224</u>	<u>\$ 470,158</u>	<u>\$ 583,382</u>	<u>\$ (277,470)</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
December 31, 2006

	<u>Agency Funds</u>				<u>Total Fiduciary Funds</u>
	<u>Court</u>	<u>Unclaimed Funds</u>	<u>Other</u>	<u>Taxes</u>	
ASSETS					
Cash and cash equivalents	\$ 2,576,712	\$ -	\$ 126,280	\$ -	\$ 2,702,992
Receivables					
Delinquent property taxes	-	-	-	120,685	120,685
Other	149	-	-	-	149
Due from other funds	-	168,771	248,674	115	417,560
Total assets	<u>\$ 2,576,861</u>	<u>\$ 168,771</u>	<u>\$ 374,954</u>	<u>\$ 120,800</u>	<u>\$ 3,241,386</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 14,148	\$ -	\$ 14,148
Due to other funds	149	-	47,308	-	47,457
Agency deposits	2,576,712	168,771	313,498	120,800	3,179,781
Total liabilities	<u>\$ 2,576,861</u>	<u>\$ 168,771</u>	<u>\$ 374,954</u>	<u>\$ 120,800</u>	<u>\$ 3,241,386</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies utilized by the County.

A. Reporting Entity

The County of Racine, Wisconsin is a municipal corporation under the laws of the State of Wisconsin and is governed by an elected County Executive and twenty-three member Board of Supervisors. This report includes all of the funds of the County. The reporting entity for the County consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit of the elected officials of the primary government if it is financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization, or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

Discretely presented component unit

The Racine County Housing Authority is responsible for providing affordable housing to low to moderate-income families in Racine County. The members of its governing board are appointed by and are responsible to the County Executive.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. *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. Likewise, the *primary government* is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

Fund Financial Statements

Financial statements of the reporting entity 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, liabilities, net assets/fund equity, 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, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In addition, any other governmental or enterprise funds that the County believes in particularly important to financial statement users may be reported as a major fund.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *County Handicapped Education Special Revenue Fund* accounts for activities of providing educational services for special education students in Western Racine County.

The *capital projects fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The government reports the following major proprietary funds:

The *Ridgewood Healthcare Center Fund* accounts for the activities of the government's nursing home operations. The *Golf Operations Fund* accounts for the activities of the two County owned golf courses.

The government reports the following nonmajor funds:

Special Revenue Funds - The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including major capital projects). The County Roads and Bridges Special Revenue Funds account for County highway and road maintenance, as well as town bridge construction.

Debt service fund - The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on the long-term general obligation debt of governmental funds.

Permanent Funds are used to report 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, that is, for the benefit of the government or its citizenry.

Additionally, the government reports the following fund types:

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

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Agency funds are used to account for assets that are held by the County in a trustee capacity or as an agent for individuals, private organizations, and all other governmental units.

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.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Boards pronouncements issued after November 30, 1989.

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 government's functions. 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 60 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 and claims and judgments, are recorded only when payment is due.

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

The county reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and of the County's internal service funds are charges to customers for services. Operating expenses for enterprise funds and the internal service fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 and liabilities 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.

D. Assets, Liabilities, and Net Assets or 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.

State statutes authorize the County to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the state Treasurer's investment pool. County ordinances further limit investments to obligations 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.

Investments are state at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

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 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, 2007, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (continued)

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Wisconsin cities, villages, and towns 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.

Taxes on real estate and personal property are levied in December (for the County the levy date is the second Tuesday of November) of each year by each municipality within the County for each taxing jurisdiction in amounts that, when collected in the ensuing year, are sufficient to cover operating expenses, debt service, and other expenditures of the said taxing jurisdiction.

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 is 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. 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 jurisdictions 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 jurisdiction may be billed their proportionate amount.

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (continued)

3. 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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted assets

Certain investments of the Ridgewood Health Care Enterprise Fund are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited for the benefit of patients. Restricted assets of the permanent funds include the Bushnell endowment and related income which is restricted for use in Bushnell Park.

5. Capital assets

Government-wide financial statements

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks 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 government 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.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

COUNTY OF RACINE, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (continued)

5. Capital assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

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

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.

6. *Compensated absences*

It is the government's policy to permit employees to accumulate earned but unused vacation, casual time and sick pay benefits. There is a liability for unpaid accumulated sick leave and casual time since the government does have a policy to pay partial amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary 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.

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (continued)

7. 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, other than claims for health insurance, are recorded as a liability in the statement of net assets. An estimated liability for health insurance claims incurred but not reported has been accrued.

8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line method basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources or uses. Issuance costs, are reported as debt service expenditures.

9. Equity Classifications

Government-wide Financial Statements

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets less any unspent debt proceeds.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either 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.

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (continued)

9. Equity Classifications (continued)

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled “designated” The balance of unreserved fund balance is labeled “undesignated” which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide financials statements.

10. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for the individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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. The Board of Supervisors complete their review and adopt the budget on or before December 1. Annual budgets are legally adopted by the Board of Supervisors for all governmental funds except capital projects funds, for which multi-year budgets are adopted.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

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. The County's 2006 adopted general fund budget was increased \$22,539,035. The 2006 adopted budget for debt service was increased \$670,000. The 2006 adopted budget for county bridge aids was increased \$1,618,210. The 2006 adopted budget for the capital projects fund was increased \$9,251,652.

B. Excess of Expenditures over Appropriations

The funds that had excess expenditures over appropriations are as follows:

<u>Fund</u>	<u>Amount</u>
Debt service fund	\$ 83,367
Capital projects fund	288,241
County handicapped education	775,695

C. Limitations on the County's Tax Levy Rate and its Ability to Issue New Debt

As part of Wisconsin's State Budget Bill (1993 Act 16), legislation was passed that limits the County's future tax levy rates. Generally, the County is limited to its 1992 tax levy rate, based upon current legislation. However, this limitation does not affect debt authorized prior to August 12, 1993 or refunding bonds.

The County may also exceed the limitation by holding a referendum (according to state statutes) authorizing the County Board to approve a higher rate. The County may also exceed the rate if it increases the services it provides due to a transfer of these services from another governmental unit.

The State Budget Bill also imposes restrictions on the County's ability to issue new debt. Generally referendum approval is required to issue unlimited tax general obligation debt, with the following exceptions: (1) refunding debt issues, (2) 75% approval by the County Board, (3) a reasonable expectation that the new debt can be accommodated within the existing tax rate and (4) Other exceptions as listed in State Statutes Section 67.045.

The County is in compliance with the limitation.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

D. Limitations on the County's Tax Levy

As part of Wisconsin's Act 25 (2005), legislation was passed that limits the County's future tax levies. Generally, the County is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the County's equalized value due to new construction, or 2%. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit began with the 2005 levy collected in 2006 and is set to expire after the 2006 levy collected in 2007. The County is in compliance with the limitation.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County had the following deposits and investments as of December 31, 2006.

	Carrying Value
Petty cash	\$ 7,165
Demand deposits	9,112,785
U.S. Government agency securities	6,141,537
U.S. Treasury notes	8,902,218
Corporate securities	2,610,693
Local government investment pool	26,915,256
Total	\$ 53,689,654
Reconciliation to the financial statements	
Per statement of net assets	
Unrestricted cash and cash equivalents	\$ 33,184,305
Unrestricted investments	17,268,212
Restricted cash and cash equivalents	147,908
Restricted investments	386,237
Per statement of net assets- Fiduciary Funds	
Agency	2,702,992
Total Cash and Investments	\$ 53,689,654

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual entities. This coverage has not been considered for custodial credit risk below.

Custodial Credit Risk for Deposits

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. As of December 31, 2006, all of the County's total deposits were insured or fully collateralized.

Custodial Credit Risk for Investments

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. As of December 31, 2006, the County's investments were held in the County's name either by the counterparty or the counterparty's trust department. The Local Government Investment Pool is 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 portfolio to maturities of less than 2 years unless otherwise approved by Racine County Finance Committee. All Racine County investments are permissible under Wisconsin Statutes. The following is a summary of investments by maturity:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
U.S. Government agency securities	\$ 6,141,538	1 - 10 years
U.S. Treasury notes	8,902,218	1 year
Corporate securities	2,610,693	1 -5 Years
Local government investment pool	<u>26,915,256</u>	27 days
 Total	 <u>\$ 44,569,705</u>	

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterpart 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).

It is the County's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of December 31, 2006, the County's investments were rated by Moody's Investors Service. The following summary describes the ratings by Moody's Investors Service.

	<u>Fair Value</u>	<u>Average Moody's Rating</u>
U.S. Government agency securities	6,141,538	Not available
U.S. Treasury notes	8,902,218	AAA
Corporate securities	2,610,693	Not available
Local government investment pool	<u>26,915,256</u>	Not rated
 Total	 <u>\$ 44,569,705</u>	

This disclosure shows the credit quality rating, as established by Moody's Investors Service, as well as the measurement of magnitude of credit exposure for the County's investments at year-end. This percentage is by aggregating the amount of investments by rating categories.

The County's investments in U.S. agencies all carry the explicit guarantee of the U.S. Government.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not hold investments in any one issuer that represents 5% or more of total investments.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds, internal service, fiduciary funds and enterprise funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	County Handicapped Education	Capital Projects
Taxes - current year levy	\$ 43,376,771	\$ 792,456	\$ -
Taxes - delinquent	6,431,714	-	-
Interest	2,286,327	-	-
Patient accounts	-	-	-
Intergovernmental	6,235,773	4,181,988	-
Other	2,899,422	-	411,475
Gross receivables	<u>61,230,007</u>	<u>4,974,444</u>	<u>411,475</u>
Less allowance for uncollectibles	260,486	-	-
Net total receivables	<u>\$ 60,969,521</u>	<u>\$ 4,974,444</u>	<u>\$ 411,475</u>

	Ridgewood Healthcare Facility	Nonmajor and Other Funds	Total
Taxes - current year levy	\$ -	\$ 3,871,428	\$ 48,040,655
Taxes - delinquent	-	-	6,431,714
Interest	-	-	2,286,327
Patient accounts	2,725,626	-	2,725,626
Intergovernmental	-	782,642	11,200,403
Other	-	15,876	3,326,773
Gross receivables	<u>2,725,626</u>	<u>4,669,946</u>	<u>74,011,498</u>
Less allowance for uncollectibles	68,966	-	329,452
Net total receivables	<u>\$ 2,656,660</u>	<u>\$ 4,669,946</u>	<u>\$ 73,682,046</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

Delinquent property taxes purchased from other taxing authorities are reflected as reservations of 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 the reservation of fund balances. Delinquent property taxes levied by the County are reflected as deferred revenue and are excluded from the fund balance until collected. At December 31, 2006, delinquent property taxes by year levied consists of the following:

	Total	County Levied	County Purchased
Tax certificates			
2005	\$ 3,687,858	\$ 3,185,138	\$ 502,720
2004	1,422,883	1,188,007	234,876
2003	506,638	426,516	80,122
2002	271,329	210,932	60,397
2001 and prior	432,437	350,782	81,655
Tax deeds	231,254	15,344	215,910
 Total Delinquent Property Taxes Receivable	 \$ 6,552,399	 \$ 5,376,718	 \$ 1,175,680

Patient Accounts

Receivables from patients are shown net of an allowance for uncollectible accounts of \$68,966 at December 31, 2006. Patient services revenues are recorded as services are rendered. Private pay patient rates are determined by management. Medicaid and Medicare rates are determined by the Wisconsin Department of Health and Family Services.

Loan to the Town of Yorkville

In February 1995, the County loaned the Water Utility District #1 Town of Yorkville \$400,000 for water utility construction at the Wispark Business Park site. The note is for a 15-year term at 0% interest, or becomes payable upon the sale by Wispark of 75% of the lots in the Business Park. The note is renewable for a second term of 15 years. As of December 31, 2006 Wispark had sold 65% of the lots.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available 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 *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Current year property tax levy	\$ -	\$ 48,031,096	\$ 48,031,096
Delinquent property taxes receivable	2,994,405	-	2,994,405
Other deferred revenue	-	72,898	72,898
	<hr/>	<hr/>	<hr/>
Total deferred/unearned revenue for governmental funds	<u>\$ 2,994,405</u>	<u>\$ 48,103,994</u>	<u>\$ 51,098,399</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2006 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	\$ 20,403,555	\$ 315,000	\$ -	\$ 20,718,555
Construction in progress	797,984	5,878,730	(253,857)	6,422,857
Total capital assets, not being depreciated	<u>21,201,539</u>	<u>6,193,730</u>	<u>(253,857)</u>	<u>27,141,412</u>
Capital assets, being depreciated:				
Buildings	44,199,911	1,060,461	-	45,260,372
Improvements other than buildings	8,130,523	480,941	-	8,611,464
Machinery and equipment infrastructure	22,843,971	996,500	(603,791)	23,236,680
	21,360,600	1,980,460	-	23,341,060
Total capital assets, being depreciated	<u>96,535,005</u>	<u>4,518,362</u>	<u>(603,791)</u>	<u>100,449,576</u>
Less accumulated depreciation for:				
Buildings	(17,916,314)	(1,170,974)	-	(19,087,288)
Improvements other than buildings	(2,950,956)	(365,468)	-	(3,316,424)
Machinery and equipment infrastructure	(13,424,151)	(1,790,274)	532,422	(14,682,003)
	(5,612,179)	(856,478)	-	(6,468,657)
Total accumulated depreciation	<u>(39,903,600)</u>	<u>(4,183,194)</u>	<u>532,422</u>	<u>(43,554,372)</u>
Total capital assets, being depreciated, net	<u>56,631,405</u>	<u>335,168</u>	<u>(71,369)</u>	<u>56,895,204</u>
Total capital assets, net	<u>\$ 77,832,944</u>	<u>\$ 6,528,898</u>	<u>\$ (325,226)</u>	<u>\$ 84,036,616</u>

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. 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	226,985	1,485,141	-	1,712,126
Total capital assets, not being depreciated	<u>1,358,746</u>	<u>1,485,141</u>	<u>-</u>	<u>2,843,887</u>
 Capital assets, being depreciated:				
Buildings	9,328,036	2,818	-	9,330,854
Improvements other than buildings	3,237,648	11,113	-	3,248,761
Machinery and equipment	2,792,324	105,256	(5,822)	2,891,758
Total capital assets, being depreciated	<u>15,358,008</u>	<u>119,187</u>	<u>-</u>	<u>15,471,373</u>
 Less accumulated depreciation for:				
Buildings	(4,532,494)	(262,629)	-	(4,795,123)
Improvements other than buildings	(1,107,890)	(171,803)	-	(1,279,693)
Machinery and equipment	(1,714,128)	(180,069)	154	(1,894,043)
Total accumulated depreciation	<u>(7,354,512)</u>	<u>(614,501)</u>	<u>154</u>	<u>(7,968,859)</u>
Total capital assets, being depreciated, net	<u>8,003,496</u>	<u>(495,314)</u>	<u>154</u>	<u>7,502,514</u>
 Total capital assets, net	<u>\$ 9,362,242</u>	<u>\$ 989,827</u>	<u>\$ 154</u>	<u>\$ 10,346,401</u>

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 466,597
Public safety	1,574,814
Health and social services	391,621
Education and recreation	317,938
Development	9,600
Highways and streets	856,479
Internal service capital assets	<u>566,145</u>

Total depreciation expenses - governmental activities \$ 4,183,194

Business-type Activities:	
Nursing home	\$ 426,243
Golf	<u>188,258</u>

Total depreciation expenses - business-type activities \$ 614,501

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2006, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Debt service fund	\$ 1,384,768
General fund	Ridgewood Healthcare Center	2,927,757
General fund	Golf Courses	397,485
General fund	Internal service fund	864,918
General fund	Fiduciary funds	47,457
General fund	Permanent funds	90,565
Fiduciary Funds	General Fund	354,463
Fiduciary Funds	Permanent funds	63,097
Capital projects fund	General Fund	17,462,448
County Handicapped Education	General Fund	506,575
Road Maintenance	General Fund	2,032,183
County Bridge Aids	General Fund	406,831
Internal service fund	General Fund	<u>2,607,853</u>
	Total	29,146,400
Less: Fund eliminations		<u>(25,821,158)</u>
Total Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 3,325,242</u>

The 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. For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General fund	Capital projects fund	\$ 469,860
General fund	Road Maintenance	5,551
Capital projects fund	General fund	311,796
Road Maintenance	General fund	2,262,238
Ridgewood Health Care Center	General fund	1,685,037
Debt service fund	Capital projects fund	497,702
Debt service fund	Internal service fund	4,620
Ridgewood Health Care Center	Debt service fund	249,825
Internal service fund	Debt service fund	46,029
Capital projects fund	Road Maintenance	477,849
Road Maintenance	Capital projects fund	1,020,000
Ridgewood Health Care Center	Capital projects fund	51,000
Internal service fund	Capital projects fund	482,700
Road Maintenance	Internal service fund	70,000
Ridgewood Health Care Center	Road Maintenance	64,550
General fund	Road Maintenance	29,250
Internal service fund	Road Maintenance	175,000
Internal service fund	Road Maintenance	92,800
General fund	Golf Course	120,000
General fund	Golf Course	175,000
	Total	8,290,807
Less: Fund eliminations		<u>(6,535,395)</u>
Total Interfund Transfers - Government-Wide Statement of Net Assets		<u>\$ 1,755,412</u>

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.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt

Long-term liability activity for the year ended December 31, 2006, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
General obligation debt					
Notes payable	\$ 17,401,517	\$ 2,065,000	\$ 2,619,229	\$ 16,847,288	\$ 2,378,557
Bonds payable	-	18,970,000	-	18,970,000	525,000
State trust fund loan payable	152,517	-	16,262	136,255	16,994
Taxable bonds payable	10,120,000	-	135,000	9,985,000	170,000
Total general obligation debt	27,674,034	21,035,000	2,770,491	45,938,543	3,090,551
Bond premium (discount)	57,600	152,954	36,185	174,369	21,456
Unamortized loss on refunding	(222,037)	-	(15,860)	(206,177)	(15,860)
Net general obligation debt	27,509,597	21,187,954	2,790,816	45,906,735	3,096,147
Compensated absences	4,079,228	-	239,659	3,839,569	3,471,732
Claims and judgments	2,429,178	-	289,374	2,139,804	427,961
Governmental activities Long-term liabilities	<u>\$ 34,018,003</u>	<u>\$ 21,187,954</u>	<u>\$ 3,319,849</u>	<u>\$ 51,886,108</u>	<u>\$ 6,995,840</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type activities					
General obligation debt					
Bonds payable	\$ 4,285,000	\$ -	\$ 235,000	\$ 4,050,000	\$ 245,000
Notes payable	2,043,483	-	185,771	1,857,712	185,771
Total general obligation debt	6,328,483	-	420,771	5,907,712	430,771
Unamortized loss on refunding	(121,405)	-	(8,094)	(113,311)	(8,094)
Net general obligation debt	6,207,078	-	412,677	5,794,401	422,677
Compensated absences	372,481	902	-	373,383	373,383
Governmental activities Long-term liabilities	<u>\$ 6,579,559</u>	<u>\$ 902</u>	<u>\$ 412,677</u>	<u>\$ 6,167,784</u>	<u>\$ 796,060</u>

General obligation debt is direct obligation and pledge the 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.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt (continued)

Wisconsin Statutes limit direct general obligation borrowing in the amount equivalent to 5% of the equalized valuation of taxable property. At December 31 2006, 5% of the equalized value of taxable property is \$741,518,290.

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 3,221,223	\$ 1,893,739	\$ 430,771	\$ 218,350
2008	3,536,168	1,765,689	446,577	201,062
2009	3,684,078	1,625,760	459,479	182,857
2010	3,851,205	1,479,921	478,187	165,030
2011	3,583,370	1,338,167	496,895	147,576
2012-2016	10,142,499	5,254,114	2,475,803	438,313
2017-2021	10,010,000	3,134,790	1,120,000	69,653
2022-2025	7,910,000	809,220	-	-
Total	<u>\$ 45,938,543</u>	<u>\$ 17,301,400</u>	<u>\$ 5,907,712</u>	<u>\$ 1,422,841</u>

The detail of the general obligation debt is as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance 12/31/2006</u>
Series 1999A General Obligation Notes	7/8/1999	6/1/2009	3.80%-5.20%	\$ 705,000
Series 1999B General Obligation Notes	7/8/1999	6/1/2009	4.10%-4.80%	140,000
Series 2001 General Obligation Notes	4/1/2001	6/1/2010	3.40%-4.20%	2,305,000
Series 2002A General Obligation Notes	4/1/2002	6/1/2011	3.00%-5.00%	3,175,000
Series 2003A General Obligation Notes	4/15/2003	6/1/2012	2.75%-3.55%	3,730,000
2003 Taxable GO Refunding Bonds	4/15/2003	6/1/2022	4.00% - 5.70%	9,985,000
Board of Comm of Public Lands PL 2003	5/7/2003	3/15/2013	4.50%	136,255
Series 2004 General Obligation Notes	9/15/2004	6/1/2014	3.00%-3.45%	3,200,000
Series 2005 General Obligation Notes	5/1/2005	6/1/2014	3.45%-3.75%	1,540,000
Series 2005 General Obligation Refunding Notes	4/15/2005	6/1/2019	3.00%-4.10%	5,895,000
Series 2006 General Obligation Notes	7/18/2006	3/1/2016	4.35%-5.00%	2,065,000
2006 General obligation Bond	3/15/2006	6/1/2022	4.00%-4.50%	18,970,000
Total General Obligation debt				<u>\$ 51,846,255</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Net Assets/Fund Balances

Net Assets

The calculation of net assets as of December 31, 2006 is as follows:

Governmental Activities

Invested in capital assets, net of related debt	\$ 84,036,616
Capital assets, net of accumulated depreciation	(45,938,543)
Less: outstanding long term debt	9,985,000
Plus: Noncapital related long term debt	<u>17,895,626</u>
Plus: Unspent bond proceeds	<u>65,978,699</u>
Restricted:	
For debt service	316,243
For endowments	<u>321,008</u>
	<u>637,251</u>
Unrestricted	<u>30,604,900</u>
Total net assets	<u>\$ 97,220,850</u>

**COUNTY OF RACINE, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Net Assets/Fund Balances

Fund Balances

The detail of the fund balances as of December 31, 2006 is as follows:

Reserved	
General Fund	
Reserved for delinquent property taxes	\$ 5,487,468
Reserved for inventories and prepaids	830,097
Reserved for encumbrances	2,513,151
Reserved for jail improvements	45,070
	<u>8,875,786</u>
Special Revenue Funds	
Reserved for endowments	<u>321,008</u>
Debt Service Funds	
Reserved for debt service	<u>694,569</u>
Capital Projects Funds	
Reserved for noncurrent receivables	400,000
Reserved for encumbrances	2,996,090
Reserved for jail improvements	13,851,508
	<u>17,247,598</u>
Total reserved fund balance	<u>\$ 27,138,961</u>
Unreserved, designated	
General Fund	
Designated for Human Service Department tax stabilization	1,350,000
Designated for nonlapsing accounts	8,327,719
	<u>\$ 9,677,719</u>

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Discretely Presented Component Unit

Cash and Investments

The County had the following deposits and investments as of December 31, 2006.

	Carrying Value
Petty cash	\$ 100
Demand deposits	405,963
Money market mutual fund	1,578,858
Total	\$ 1,984,921

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual entities. This coverage has been considered for custodial credit risk below.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Housing Authority's deposits may not be returned to the Housing Authority. As of December 31, 2006, \$500,000 of the Housing Authority's total deposits was collateralized and \$1,484,921 was uninsured and uncollateralized.

Receivables

Receivables as of year-end for the Housing Authority, a discretely presented component unit, including the applicable allowances for uncollectible accounts, is as follows:

Notes Receivable:	
Current	\$ 8,858
Non-current	146,567
Other	24,167
	179,592
Less allowance for uncollectibles	-
Net total receivables	\$ 179,592

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Discretely Presented Component Unit (continued)

Capital Assets

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	7-40 years
Improvements other than buildings	15 years
Machinery and equipment	3-7 years

Activity for the Housing Authority for the year ended December 31, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 96,000	\$ -	\$ -	\$ 96,000
Capital assets, being depreciated:				
Buildings	1,683,780	19,780	-	1,703,560
Improvements other than buildings	138,100	-	-	138,100
Machinery and equipment	102,934	-	-	102,934
Total capital assets, being depreciated	<u>1,924,814</u>	<u>19,780</u>	<u>-</u>	<u>1,944,594</u>
Less accumulated depreciation:				
Buildings	(799,589)	(65,380)	-	(864,969)
Improvements other than buildings	(65,286)	(8,701)	-	(73,987)
Machinery and equipment	(99,980)	(2,093)	-	(102,073)
Total accumulated depreciation	<u>(964,855)</u>	<u>(76,174)</u>	<u>-</u>	<u>(1,041,029)</u>
Total capital assets, being depreciated, net	<u>959,959</u>	<u>(56,394)</u>	<u>-</u>	<u>903,565</u>
Total capital assets, net	<u>\$ 1,055,959</u>	<u>\$ (56,394)</u>	<u>\$ -</u>	<u>\$ 999,565</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

IV. OTHER INFORMATION

A. Claims and Other Legal Proceedings

The County is routinely involved in litigation defending and prosecuting cases over a wide range of possible situations. An amount has been recorded in the government-wide statement of net assets for estimated liability resulting from existing claims and judgments.

B. Intergovernmental Grants

Federal and state grants in aid received by the County are subject to audit and adjustment by grantor agencies. If grant revenues are received for expenditures, which are subsequently disallowed, the County may be required to repay the revenues. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material.

C. Risk Management

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 \$425,000 up to a maximum of \$1,000,000 and aggregate claims in excess of \$1,850,000 up to a maximum of \$5,000,000.

The County self funds for public liability and automobile coverage.

The liability for claims and judgments other than health insurance is reported in the government-wide statement of net assets. Changes in the claims liabilities for the year are as follows:

	<u>2006</u>	<u>2005</u>
Unpaid claims-beginning	\$ 2,429,178	\$2,365,537
Incurred claims	126,688	254,254
Claims paid	<u>(356,062)</u>	<u>(190,613)</u>
Unpaid claims-ending	<u>\$2,199,804</u>	<u>\$2,429,178</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

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 the full cost of transplants and for all other individual claims in excess of \$250,000 up to a maximum of \$1,750,000.

The liability for medical insurance is reported in the financial statements as follows:

	<u>2006</u>	<u>2005</u>
Unpaid claims-beginning	\$ 1,124,266	\$ 811,716
Incurred claims	19,300,509	18,889,587
Claims paid	<u>(19,083,594)</u>	<u>(18,577,037)</u>
Unpaid claims-ending	<u>\$ 1,341,181</u>	<u>\$ 1,124,266</u>

D. Defined Benefit Pension Plans

All eligible County employees participate in the Wisconsin Retirement System (System); a cost-sharing multiple-employer defined public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year (440 hours for teachers) are eligible to participate in the System. Covered employees in the General/Teacher/Educational Support Personnel category are required by statute to contribute 5.9% of their salary (2.9% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.3% for Protective Occupations without Social Security), to the plan. Employers may take these contributions to the plan on behalf of the employees. Employees are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for County employees covered by the System for the year ended December 31, 2006 was approximately \$42,905,293; the employer's total payroll was approximately \$43,960,936. The total required contribution for the year ended December 31, 2006 was approximately \$4,737,214 which consisted of \$2,307,430 or 5.4% of payroll from the employer and \$2,429,784 or 5.7% of payroll from employees. Total contributions for the years ending December 31, 2005 and 2004 were approximately \$4,942,184 and \$5,191,981, respectively, equal to the required contributions for each year.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2006**

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees), and receive actuarially reduced benefits. The factors influencing the benefit are (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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, are immediately vested.

The system also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

E. Other Post Retirement Benefits

The County provides post-retirement health care and life insurance benefits, in accordance with union contracts and the County's personnel policy, to all retirees who are eligible to receive a monthly annuity from the System. Approximately 654 retirees meet these eligibility requirements for life insurance and approximately 564 meet the requirements for health insurance at December 31, 2006.

The County reimburses between 50% and 95% of the health insurance premiums as determined by the years of service provided by the retiree. Expenditures for post-retirement benefits are recognized on a pay-as-you-go basis. Post-retirement benefits paid during the year ended December 31, 2006 totaled \$7,124,825.

F. Subsequent Event

On June 7, 2007, the County issued general obligation promissory notes in the amount of \$2,155,000 with interest rate of 3.875%. This promissory note will be used for capital improvements.

This information is an integral part of the accompanying basic financial statements.

SUPPLEMENTAL INFORMATION

COUNTY OF RACINE, WISCONSIN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2006

	Special Revenue				Permanent			Total Nonmajor Government Funds
	Debt Service	Road Maintenance	County Bridge Aids	Total	Bushnell	Other	Total	
ASSETS								
Cash and cash equivalents	\$ 2,079,337	\$ -	\$ -	\$ -	\$ 18,187	\$ 70,246	\$ 88,433	\$ 2,167,770
Receivables:								
Property taxes:								
Current year levy	3,861,869	-	-	-	-	-	-	3,861,869
Due from other funds	-	2,032,183	406,831	2,439,014	-	-	-	2,439,014
Restricted assets - investments	-	-	-	-	386,237	-	386,237	386,237
Total assets	\$ 5,941,206	\$ 2,032,183	\$ 406,831	\$ 2,439,014	\$ 404,424	\$ 70,246	\$ 474,670	\$ 8,854,890
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ -	\$ 5,894	\$ 91,275	\$ 97,169	\$ -	\$ -	\$ -	\$ 97,169
Due to other funds	1,384,768	-	-	-	140,177	13,485	153,662	1,538,430
Deferred revenue:								
Current year property tax levy	3,861,869	-	-	-	-	-	-	3,861,869
Total liabilities	5,246,637	5,894	91,275	97,169	140,177	13,485	153,662	5,497,468
FUND BALANCES								
Fund balances:								
Reserved for:								
Debt retirement	694,569	-	-	-	-	-	-	694,569
Endowments	-	-	-	-	264,247	56,761	321,008	321,008
Unreserved	-	2,026,289	315,556	2,341,845	-	-	-	2,341,845
Total fund balances	694,569	2,026,289	315,556	2,341,845	264,247	56,761	321,008	3,357,422
Total liabilities and fund balances	\$ 5,941,206	\$ 2,032,183	\$ 406,831	\$ 2,439,014	\$ 404,424	\$ 70,246	\$ 474,670	\$ 8,854,890

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2006

	Special Revenue					Permanent			Total Nonmajor Governmental Funds
	Debt Service	Road Maintenance	County Bridge Aids		Total	Bushnell	Other	Total	
REVENUES									
Taxes	\$ 3,071,486	\$ -	\$ 25,800	\$ -	\$ 25,800	\$ -	\$ -	\$ -	\$ 3,097,286
Intergovernmental	-	2,491,905	-	-	2,491,905	-	-	-	2,491,905
Investment income	99,260	-	-	-	-	-	4,112	4,112	103,372
Miscellaneous	708,211	-	-	-	-	-	4,000	4,000	712,211
Total revenues	3,878,957	2,491,905	25,800	-	2,517,705	-	8,112	8,112	6,404,774
EXPENDITURES									
Current									
Education and recreation	-	-	-	-	-	-	840	840	840
Highways and streets	-	4,958,355	100,941	-	5,059,296	-	-	-	5,059,296
Debt service	2,736,264	-	-	-	-	-	-	-	2,736,264
Principal retirement	1,481,787	-	-	-	-	-	-	-	1,481,787
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	4,218,051	4,958,355	100,941	-	5,059,296	-	840	840	9,278,187
Excess (deficiency) of revenues over expenditures	(339,094)	(2,466,450)	(75,141)	-	(2,541,591)	-	7,272	7,272	(2,873,413)
OTHER FINANCING SOURCES (USES)									
Transfers in	502,322	3,352,238	-	-	3,352,238	-	-	-	3,854,560
Transfers out	(295,854)	(845,000)	-	-	(845,000)	-	-	-	(1,140,854)
Total other financing sources (uses)	206,468	2,507,238	-	-	2,507,238	-	-	-	2,713,706
Net change in fund balances	(132,626)	40,788	(75,141)	-	(34,353)	-	7,272	7,272	(159,707)
FUND BALANCES									
Beginning of year	827,195	1,985,501	390,697	264,247	2,376,198	264,247	49,489	313,736	3,517,129
End of year	\$ 694,569	\$ 2,026,289	\$ 315,556	\$ 264,247	\$ 2,341,845	\$ 264,247	\$ 56,761	\$ 321,008	\$ 3,357,422

COUNTY OF RACINE, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,071,486	\$ 3,071,486	\$ 3,071,486	\$ -
Investment income	-	-	99,260	99,260
Miscellaneous	653,230	653,230	708,211	54,981
Total revenues	<u>3,724,716</u>	<u>3,724,716</u>	<u>3,878,957</u>	<u>154,241</u>
EXPENDITURES				
Debt service:				
Principal retirement	2,956,262	2,956,262	2,736,264	219,998
Interest and fiscal charges	1,178,422	1,178,422	1,481,787	(303,365)
Total expenditures	<u>4,134,684</u>	<u>4,134,684</u>	<u>4,218,051</u>	<u>(83,367)</u>
Excess (deficiency) of revenues over expenditures	<u>(409,968)</u>	<u>(409,968)</u>	<u>(339,094)</u>	<u>70,874</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	502,322	502,322	-
Transfers out	-	(295,854)	(295,854)	-
Net change in fund balances	<u>(409,968)</u>	<u>(203,500)</u>	<u>(132,626)</u>	<u>70,874</u>
FUND BALANCES				
Beginning of year	<u>827,195</u>	<u>827,195</u>	<u>827,195</u>	<u>-</u>
End of year	<u>\$ 417,227</u>	<u>\$ 623,695</u>	<u>\$ 694,569</u>	<u>\$ 70,874</u>

COUNTY OF RACINE, WISCONSIN
COUNTY ROAD MAINTENANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,318,790	\$ 2,318,790	\$ 2,491,905	\$ 173,115
EXPENDITURES				
Current				
Highway and streets	5,560,669	5,560,669	4,958,355	602,314
Excess (deficiency) of revenues over expenditures	<u>(3,241,879)</u>	<u>(3,241,879)</u>	<u>(2,466,450)</u>	<u>775,429</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	70,000	3,352,238	3,352,238	-
Transfers out	<u>(175,000)</u>	<u>(845,000)</u>	<u>(845,000)</u>	-
Total other financing sources (uses)	<u>(105,000)</u>	<u>2,507,238</u>	<u>2,507,238</u>	-
Net change in fund balances	(3,346,879)	(734,641)	40,788	775,429
FUND BALANCES				
Beginning of year	1,985,501	1,985,501	1,985,501	-
End of year	<u>\$ (1,361,378)</u>	<u>\$ 1,250,860</u>	<u>\$ 2,026,289</u>	<u>\$ 775,429</u>

COUNTY OF RACINE, WISCONSIN
COUNTY BRIDGE AIDS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 25,800	\$ 25,800	\$ 25,800	\$ -
EXPENDITURES				
Current				
Highway and streets	25,800	1,644,010	100,941	1,543,069
Excess (deficiency) of revenues over expenditures	-	(1,618,210)	(75,141)	1,543,069
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Net change in fund balance	-	(1,618,210)	(75,141)	1,543,069
FUND BALANCES				
Beginning of year	390,697	390,697	390,697	-
End of year	\$ 390,697	\$ (1,227,513)	\$ 315,556	\$ 1,543,069

COUNTY OF RACINE, WISCONSIN
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 1,283,576	\$ 1,283,576	\$ -
Investment income	-	730,165	730,165	-
Miscellaneous	-	1,265	3,064	1,799
Total revenues	<u>-</u>	<u>2,015,006</u>	<u>2,016,805</u>	<u>1,799</u>
EXPENDITURES				
Capital outlay	1,284,174	8,092,564	8,094,361	(1,797)
Debt service:				
Interest and fiscal charges	-	38,860	208,444	(169,584)
	<u>1,284,174</u>	<u>8,131,424</u>	<u>8,302,805</u>	<u>(171,381)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,284,174)</u>	<u>(6,116,418)</u>	<u>(6,286,000)</u>	<u>(169,582)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	783,284	789,645	6,361
Transfers out	-	(2,404,402)	(2,521,262)	(116,860)
Premium on long term debt	-	-	152,954	152,954
General obligation debt issued	-	21,035,000	21,035,000	-
Total other financing sources (uses)	<u>-</u>	<u>19,413,882</u>	<u>19,456,337</u>	<u>42,455</u>
Net change in fund balances	(1,284,174)	13,297,464	13,170,337	(127,127)
FUND BALANCES				
Beginning of year	<u>3,683,656</u>	<u>3,683,656</u>	<u>3,683,656</u>	<u>-</u>
End of year	<u>\$ 2,399,482</u>	<u>\$ 16,981,120</u>	<u>\$ 16,853,993</u>	<u>\$ (127,127)</u>

COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE (1)
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 20,718,555	\$ 20,403,555
Improvements other than buildings	6,829,056	6,348,115
Building	42,080,262	41,079,063
Machinery and equipment	14,413,856	14,157,046
Infrastructure	23,341,060	21,360,600
Construction in progress	6,422,857	740,148
Total governmental funds capital assets	<u>\$ 113,805,646</u>	<u>\$ 104,088,527</u>
 INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General fund	\$ 90,021,442	\$ 82,276,972
Special revenue fund	<u>23,784,204</u>	<u>21,811,555</u>
Total governmental funds capital assets	<u>\$ 113,805,646</u>	<u>\$ 104,088,527</u>

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

COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY (1)
Year Ended December 31, 2006

<u>FUNCTION AND ACTIVITY</u>	<u>Governmental Funds Capital Assets January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets December 31, 2006</u>
General government	\$ 8,083,978	\$ 229,459	\$ 196,773	\$ 8,116,664
Public Safety	29,019,767	7,389,142	292,555	36,116,354
Health and social service	18,574,484	55,439	-	18,629,923
Education and recreation	26,207,615	413,568	-	26,621,183
Highway and streets	21,811,555	2,118,839	-	23,930,394
Development	391,128	-	-	391,128
Total governmental funds capital assets	<u>\$ 104,088,527</u>	<u>\$ 10,206,447</u>	<u>\$ 489,328</u>	<u>\$ 113,805,646</u>

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

COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (1)
 Year Ended December 31, 2006

FUNCTION AND ACTIVITY	Improvements		Machinery and Equipment		Infrastructure		Construction In Progress	Total
	Land	Other Than Buildings	Buildings	Equipment	Infrastructure	Progress		
General government	\$ 211,970	\$ 18,574	\$ 4,512,916	\$ 3,243,706	\$ -	\$ -	\$ 129,498	\$ 8,116,664
Public safety	1,532,929	410,241	18,953,691	9,275,112	-	-	5,944,381	36,116,354
Health and social service	345,803	-	16,665,167	1,618,953	-	-	-	18,629,923
Education and recreation	18,184,709	6,400,241	1,948,488	83,607	-	-	4,138	26,621,183
Highway and streets	244,494	-	-	-	23,341,060	-	344,840	23,930,394
Development	198,650	-	-	192,478	-	-	-	391,128
Total governmental funds capital assets	\$ 20,718,555	\$ 6,829,056	\$ 42,080,262	\$ 14,413,856	\$ 23,341,060	\$ -	\$ 6,422,857	\$ 113,805,646

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

STATISTICAL SECTION

**TABLE 1
RACINE COUNTY
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
GOVERNMENTAL ACTIVITIES					
Invested in capital assets, net of related debt *	\$ 45,107,516	\$ 54,939,630	\$ 59,338,370	\$ 60,278,910	\$ 65,978,699
Restricted **	20,976,035	7,335,731	7,688,037	1,140,931	637,251
Unrestricted	<u>21,092,880</u>	<u>19,610,269</u>	<u>16,402,119</u>	<u>27,970,518</u>	<u>30,604,900</u>
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	<u>\$ 87,176,431</u>	<u>\$ 81,885,630</u>	<u>\$ 83,428,526</u>	<u>\$ 89,390,359</u>	<u>\$ 97,220,850</u>
BUSINESS-TYPE ACTIVITIES					
Invested in capital assets, net of related debt	\$ 4,717,374	\$ 4,987,621	\$ 4,836,087	\$ 3,033,759	\$ 4,438,689
Restricted	-	162,901	34,992	-	-
Unrestricted	<u>423,744</u>	<u>(267,655)</u>	<u>(729,479)</u>	<u>1,069,279</u>	<u>(335,682)</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS	<u>\$ 5,141,118</u>	<u>\$ 4,882,867</u>	<u>\$ 4,141,600</u>	<u>\$ 4,103,038</u>	<u>\$ 4,103,007</u>
PRIMARY GOVERNMENT					
Invested in capital assets, net of related debt	\$ 49,824,890	\$ 59,927,251	\$ 64,174,457	\$ 63,312,669	\$ 70,417,388
Restricted	20,976,035	7,498,632	7,723,029	1,140,931	637,251
Unrestricted	<u>21,516,624</u>	<u>19,342,614</u>	<u>15,672,640</u>	<u>29,039,797</u>	<u>30,269,218</u>
TOTAL PRIMARY GOVERNMENT NET ASSETS	<u>\$ 92,317,549</u>	<u>\$ 86,768,497</u>	<u>\$ 87,570,126</u>	<u>\$ 93,493,397</u>	<u>\$ 101,323,857</u>

Note:

* 2003

Effective January 1, 2003, the County recognized its retroactive capitalization of infrastructure assets. This resulted in an increase in governmental activities capital assets and net assets in the amount of \$9,297,498. In addition, the County recognized its unfunded pension liability with the Wisconsin Retirement payments as pension related debt effective January 1, 2003. This resulted in an increase in long-term debt payable and a decrease to net assets. This debt was subsequently refunded in 2003 with taxable general obligation funds.

** Delinquent Property Tax and Other Purposes were included in the year 2002 under Gov't Activities - Restricted; however, not included in the years 2003, 2004, 2005 and 2006

TABLE 2
RACINE COUNTY
CHANGES IN NET ASSETS, LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR				
	2002	2003	2004	2005	2006
EXPENSES					
Governmental activities:					
General government	\$ 18,619,744	\$ 19,377,945	\$ 17,421,627	\$ 15,211,124	\$ 12,835,356
Public safety	23,509,350	24,940,588	26,717,076	27,309,261	28,360,700
Highway and streets	10,996,282	9,618,932	8,245,410	8,581,834	4,185,199
Health and social services	60,373,068	62,753,342	57,758,929	57,866,026	58,034,621
Development	1,764,821	5,744,849	1,650,806	1,465,373	1,797,075
Education and recreation	12,820,948	16,536,668	17,492,932	18,384,238	17,167,001
Interest on long-term debt	584,184	1,079,648	1,210,321	1,156,617	1,728,911
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	128,668,397	140,051,972	130,497,101	129,974,473	124,108,863
Business-type activities:					
Golf	178,084	181,354	175,707	203,698	223,706
Nursing home	14,347,467	13,669,211	14,429,319	15,267,970	15,548,773
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	14,525,551	13,850,565	14,605,026	15,471,668	15,772,479
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 143,193,948	\$ 153,902,537	\$ 145,102,127	\$ 145,446,141	\$ 139,881,342
PROGRAM REVENUES					
Governmental activities:					
Charges for services	\$ 13,858,414	\$ 13,384,617	\$ 11,460,688	\$ 15,980,777	\$ 11,764,486
Operating grants and contributions	61,765,253	65,745,697	60,942,625	58,782,167	58,715,473
Capital grants and contributions	2,154,993	1,404,617	2,962,688	1,213,004	239,882
Total governmental activities program revenues	77,778,660	80,534,931	75,366,001	75,975,948	70,719,841
Business-type activities:					
Charges for services					
Golf	365,147	371,084	376,340	405,133	432,681
Nursing home	11,537,523	10,324,352	11,250,771	11,524,630	13,584,355
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES	11,902,670	10,695,436	11,627,111	11,929,763	14,017,036
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 89,681,330	\$ 91,230,367	\$ 86,993,112	\$ 87,905,711	\$ 84,736,877
NET (EXPENSE) REVENUE					
Government activities	\$ (50,889,737)	\$ (59,517,041)	\$ (55,131,100)	\$ (53,998,525)	\$ (53,389,022)
Business-type activities	(2,622,881)	(3,155,129)	(2,977,915)	(3,541,905)	(1,755,443)
Total primary government net expense	\$ (53,512,618)	\$ (62,672,170)	\$ (58,109,015)	\$ (57,540,430)	\$ (55,144,465)
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS					
Governmental activities:					
Property taxes	\$ 44,186,200	\$ 47,067,618	\$ 48,700,601	\$ 50,513,512	\$ 52,160,158
Grants and contributions not restricted to specific programs	7,822,097	7,191,801	6,737,064	6,419,736	4,557,451
Unrestricted investment earnings	2,731,666	2,721,875	2,339,170	3,436,787	5,465,557
Gain (loss) on sale of capital assets	(92,453)	(69,600)	(255,622)	1,145,335	-
Other	-	1,266,421	1,386,259	954,445	791,759
Transfers	(2,709,943)	(2,911,222)	(2,233,476)	(3,503,343)	(1,755,412)
Total governmental activities	51,937,567	55,266,893	56,673,996	58,966,472	61,219,513
Business-type activities:					
Unrestricted investment earnings	7,802	627	-	-	-
Gain (loss) on sale of capital assets	-	(14,971)	3,172	-	-
Transfer	2,709,943	2,911,222	2,233,476	3,503,343	1,755,412
Total business-type activities	2,717,745	2,896,878	2,236,648	3,503,343	1,755,412
Total primary government	\$ 54,655,312	\$ 58,163,771	\$ 58,910,644	\$ 62,469,815	\$ 62,974,925
CHANGE IN NET ASSETS					
Governmental activities	\$ 1,047,830	\$ (4,250,148)	\$ 1,542,896	\$ 4,967,947	\$ 7,830,491
Business-type activities	94,864	(258,251)	(741,267)	(38,562)	(31)
Total primary government	\$ 1,142,694	\$ (4,508,399)	\$ 801,629	\$ 4,929,385	\$ 7,830,460

**TABLE 3
 RACINE COUNTY
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 16,160,778	\$ 15,709,793	\$ 15,065,182	\$ 14,043,739	\$ 12,583,856	\$ 14,928,856	\$ 11,467,259	\$ 9,574,760	\$ 9,045,064	\$ 8,875,786
Unreserved	12,022,942	12,982,593	13,213,635	15,700,375	17,993,865	15,007,673	13,126,236	14,425,742	19,590,968	25,974,133
Total general fund	<u>28,183,720</u>	<u>28,692,386</u>	<u>28,278,817</u>	<u>29,744,114</u>	<u>30,577,721</u>	<u>29,936,529</u>	<u>24,593,495</u>	<u>24,000,502</u>	<u>28,636,032</u>	<u>34,849,919</u>
Other governmental funds:										
Reserved	5,848,937	5,969,478	6,335,994	6,451,578	6,154,003	7,836,436	4,114,592	5,592,069	5,178,685	18,263,175
Unreserved - reported in:										
Special revenue funds	4,423,328	4,134,603	4,637,747	4,834,240	4,824,515	5,428,756	7,811,743	6,792,802	6,522,308	6,936,368
Capital projects	-	-	-	-	-	-	1,468,304	-	-	(393,605)
Debt service	-	-	-	-	-	-	153,133	-	-	-
Total all other governmental funds	<u>10,272,265</u>	<u>10,104,081</u>	<u>10,973,741</u>	<u>11,285,818</u>	<u>10,978,518</u>	<u>13,265,192</u>	<u>13,547,172</u>	<u>12,384,871</u>	<u>11,700,993</u>	<u>24,805,938</u>
TOTAL FUND BALANCES	<u>\$ 38,455,985</u>	<u>\$ 38,796,467</u>	<u>\$ 39,252,558</u>	<u>\$ 41,029,932</u>	<u>\$ 41,556,239</u>	<u>\$ 43,201,721</u>	<u>\$ 38,141,267</u>	<u>\$ 36,385,373</u>	<u>\$ 40,337,025</u>	<u>\$ 59,655,857</u>

**TABLE 4
RACINE COUNTY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
REVENUES										
Property taxes	\$ 33,769,302	\$ 35,236,010	\$ 36,694,356	\$ 38,650,548	\$ 41,219,952	\$ 43,949,387	\$ 47,087,985	\$ 48,689,938	\$ 50,521,783	\$ 52,388,683
Intergovernmental	53,714,761	55,834,446	58,984,022	63,065,277	66,236,045	70,894,521	74,269,191	70,642,376	66,414,907	63,466,636
Fines and fees	5,650,708	6,876,736	6,298,293	4,483,466	5,105,199	9,426,097	6,334,437	6,451,470	8,295,863	8,010,299
Interest income	3,965,886	4,194,366	3,816,692	4,541,774	4,589,435	2,731,666	2,721,875	2,339,170	3,436,787	5,465,557
Other	2,248,044	2,139,041	2,298,166	2,382,992	2,012,026	2,599,921	3,472,813	3,414,290	4,993,836	4,582,207
TOTAL REVENUES	99,348,701	104,280,599	108,091,529	113,124,077	119,162,657	129,601,592	133,886,301	131,537,244	133,663,176	133,912,982
EXPENDITURES										
Current:										
General government	11,744,989	13,029,608	14,286,375	16,185,721	16,645,520	17,516,626	19,462,898	17,088,802	14,137,998	12,843,110
Public safety	16,657,844	18,243,322	19,286,052	20,011,185	22,433,726	23,053,710	23,858,590	25,354,520	25,337,146	26,243,408
Health and social service	47,904,826	50,274,309	53,053,456	52,759,683	57,583,989	60,050,963	62,388,001	57,329,215	57,539,864	57,602,914
Education and recreation	8,968,049	9,146,630	9,813,451	10,539,232	11,491,831	14,788,282	16,267,099	17,522,594	18,294,569	17,242,794
Development	1,331,850	2,349,990	1,399,977	1,477,666	1,625,325	1,768,172	5,719,504	1,647,223	1,446,227	1,614,327
Highway and streets	4,087,531	1,756,541	2,801,100	1,187,722	2,008,368	9,213,539	5,452,607	8,608,249	6,404,777	5,059,296
Capital projects	2,424,074	2,469,893	2,321,121	2,485,150	2,466,942	2,371,851	2,448,191	2,791,021	2,425,562	2,736,264
Bond issue costs	825,142	705,801	593,403	531,737	487,635	365,315	1,205,322	1,309,749	1,144,958	1,690,231
Debt service principal	93,544,105	97,976,094	103,564,935	105,178,096	114,743,336	135,113,747	142,165,898	133,615,423	129,028,208	133,306,621
Debt service interest **	5,804,596	6,304,505	4,526,594	7,945,981	4,419,321	(5,512,155)	(8,279,597)	(2,078,179)	4,634,968	605,561
Total expenditures	(5,443,616)	(4,435,696)	(4,968,126)	(5,691,654)	(5,615,644)	(7,350,265)	(8,294,153)	(7,306,437)	(2,570,000)	(8,621,002)
Excess of revenues over (under) expenditures	6,304,505	6,304,505	4,526,594	7,945,981	4,419,321	(5,512,155)	(8,279,597)	(2,078,179)	4,634,968	605,561
OTHER FINANCING SOURCES (USES)										
Transfers in										
Transfers out										
Refunding bonds issued										
Unfunded pension liability payment										
Bond anticipation notes issued										
Proceeds of general obligation debt										
Premium on long term debt			915,000		3,755,000	8,471,663	5,159,558	1,121,471	1,700,000	21,035,000
Proceeds of refunding bond issue										
Payment to refunding bond escrow agent										
Sale of capital assets										
TOTAL OTHER FINANCING SOURCES (USES)	(5,443,616)	(4,435,696)	(4,053,126)	(5,691,654)	(1,860,644)	5,832,112	3,219,143	322,284	(683,317)	18,713,271
NET CHANGE IN FUND BALANCES	\$ 360,980	\$ 1,868,809	\$ 473,488	\$ 2,254,327	\$ 2,558,677	\$ 319,957	\$ (5,060,454)	\$ (1,755,895)	\$ 3,951,651	\$ 19,318,832
Debt Service as a Percent of Noncapital Expenditures	3.63%	3.36%	2.89%	2.91%	2.61%	2.18%	2.69%	3.22%	2.85%	3.61%

* SOURCE:
Years 1997 - 2001

Notes to Financial Statements / Property, Plants and Equipment - Total Additions

** Year 2006 includes interest and fiscal charges

**TABLE 5
 RACINE COUNTY
 EQUALIZED ASSESSED VALUE OF TAXABLE PROPERTY (a)
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	Real Estate			OTHER		Personal Property	TOTAL TAXABLE Equalized Assessed Value	Total TID	EAV less TID (b)	All County Tax Levies	TAX RATE (c)
	RESIDENTIAL	COMMERCIAL	MANUFACTURING	OTHER							
1997	5,360,034,500	1,091,646,400	267,175,300	290,457,300	280,997,300	7,290,310,800	97,536,350	7,192,774,450	33,891,480	4.71%	
1998	5,555,322,400	1,151,834,900	309,981,300	298,507,600	284,128,500	7,599,774,700	115,969,350	7,483,805,350	35,060,470	4.68%	
1999	5,891,850,700	1,234,370,500	344,253,600	308,399,900	319,961,600	8,098,836,300	160,316,650	7,938,519,650	36,754,753	4.63%	
2000	6,292,199,700	1,323,032,500	386,363,100	330,239,800	270,903,300	8,602,738,400	197,584,150	8,405,154,250	38,706,708	4.61%	
2001	6,693,002,600	1,364,494,900	415,799,100	254,979,500	292,661,000	9,020,937,100	249,019,150	8,771,917,950	41,418,826	4.72%	
2002	7,116,305,900	1,436,185,600	425,826,700	254,484,200	284,686,500	9,517,488,900	263,448,850	9,254,040,050	44,052,480	4.76%	
2003	7,660,598,000	1,566,293,600	421,083,300	245,686,400	276,820,100	10,170,481,400	300,962,450	9,869,518,950	47,002,288	4.76%	
2004	8,317,871,000	1,695,346,900	424,718,000	247,413,100	280,431,800	10,965,780,800	353,433,450	10,612,347,350	48,734,107	4.59%	
2005	9,313,273,900	1,841,675,400	413,211,300	247,466,300	265,855,100	12,081,482,000	408,211,950	11,673,270,050	50,587,305	4.33%	
2006	10,342,347,400	2,013,188,200	401,915,000	261,339,200	279,288,400	13,298,078,200	460,466,850	12,837,611,350	52,325,744	4.08%	

Source: State of Wisconsin Department of Revenue Equalization Division

footnote

- (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.
- (b) 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.
- (c) Equalized Values are reduced by Tax Increment District value increments for apportioning the County levy. 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.

TABLE 6
Racine County
Principal Property Tax Payers,
Current Year and Nine Years Ago

TAXPAYER	2006			1997				
	Equalized Assessed	Rank	Value	Percentage of	Equalized Assessed	Rank	Market Value	Percentage
All Saints	\$ 41,958,491	3	\$ 12,558,322,950	0.33%	\$ 18,458,547	4	\$ 6,911,777,150	0.27%
American National Insurance (fka: Shoemaker Prop. LLC)	18,759,208	9	12,558,322,950	0.15%	10,185,722	8	6,911,777,150	0.15%
Associates, R.O.					9,052,291	9	6,911,777,150	0.13%
California State Teachers (fka: High Ridge Hospital / Improv.)					16,006,372	5	6,911,777,150	0.23%
Case, JI Company	32,950,667	4	12,558,322,950	0.26%	33,198,379	3	6,911,777,150	0.48%
Johnson, SC	115,594,624	1	12,558,322,950	0.92%	53,739,087	2	6,911,777,150	0.78%
Menard, Inc.								
Regency Mall	76,076,073	2	12,558,322,950	0.61%	66,850,108	1	6,911,777,150	0.97%
Rudd Lighting					15,053,480	6	6,911,777,150	0.22%
Aurora Medical Group	28,706,071	5	12,558,322,950	0.23%				
Continental 63 & 81 fund LLC (Wal-Mart & Sams & Aldis)	20,965,830	7	12,558,322,950	0.17%				
Westgate Mall					11,619,096	7	6,911,777,150	0.17%
Bombardier Motor Corp Of Amer	20,965,546	8	12,558,322,950	0.17%				
High Ridge improvements	17,039,866	10	12,558,322,950	0.14%				
Inland Southeast Mt Pleasant (Kohls & Jewel)	21,822,198	6	12,558,322,950	0.17%				
	\$ 394,838,574			3.14%	\$ 234,163,082			3.39%

Footnote:
County taxes are allocated based upon total equalized assessed value with tax incremental districts removed.

**TABLE 7
 RACINE COUNTY
 PROPERTY TAX LEVIES AND COLLECTIONS,
 LAST NINE FISCAL YEARS**

Levy Year	Collection Year ENDED Dec 31,	COUNTY-WIDE LEVY FOR THE FISCAL YEAR	UNCOLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		TOTAL COLLECTED AS OF 12/31/06	
			AMOUNT	PERCENTAGE OF LEVY COLLECTED	AMOUNT	PERCENTAGE OF LEVY COLLECTED	UNCOLLECTED AMOUNT	AMOUNT
1997	1998	\$ 186,030,828	\$ 2,385,640	183,645,188	98.72%	\$ 18,301	186,012,527	99.99%
1998	1999	192,410,618	2,733,962	189,676,656	98.58%	33,604	192,377,014	99.98%
1999	2000	198,107,514	3,092,950	195,014,564	98.44%	68,942	198,038,572	99.97%
2000	2001	212,489,221	3,614,222	208,874,999	98.30%	107,065	212,382,156	99.95%
2001	2002	221,444,059	3,523,184	217,920,875	98.41%	172,001	221,272,058	99.92%
2002	2003	224,378,130	3,395,675	220,982,455	98.49%	271,329	224,106,801	99.88%
2003	2004	237,081,237	3,473,126	233,608,111	98.54%	506,638	236,574,599	99.79%
2004	2005	251,899,220	3,670,655	248,228,565	98.54%	1,422,883	250,476,337	99.44%
2005	2006	256,705,260	3,687,858	253,017,402	98.56%	3,687,858	253,017,402	98.56%

**TABLE 8
COUNTY OF RACINE
PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

(Amounts shown are per \$1,000 of Equalized Valuation)

(c)
2006
TL EQUALIZED
VALUE

MUNICIPALITY	SCHOOL DISTRICT	SANITARY DISTRICT	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
City Burlington	Burlington (0777) BU		\$23.63	\$22.95	\$22.26	\$22.71	\$22.51	\$22.33	\$21.59	\$21.21	\$20.07	\$19.15
			28.04	28.26	26.62	26.81	26.62	26.00	24.21	24.22	22.26	21.27
Tn Burlington	Burl (0777) BU	No Dist	18.28	18.20	17.90	17.76	17.65	17.70	17.21	16.66	15.37	14.52
	Burl (0777) BU	Browns Lake (001) BR	19.82	19.67	19.30	19.04	18.83	18.86	18.31	17.85	16.45	15.42
	Burl (0777) BU	Browns Lake (011) BO	19.71	19.56	19.30	19.02	18.82	18.75	18.19	17.54	16.15	15.15
	Brighton Schs (0657) BR		19.15	20.05	18.80	19.84	21.41	19.90	19.49	15.85	18.14	13.69
	Kansasville (1449) KV		18.76	20.60	18.28	18.26	19.75	18.64	18.78	15.79	15.29	15.53
	Waterford (6113) WF		17.62	18.03	18.04	19.16	20.00	19.73	18.87	17.67	16.00	15.88
	Burlington (0777) BU		17.33	17.61	17.45	18.65	18.04	17.59	17.06	15.73	14.53	13.83
	North Cape (4690) NO		17.15	18.11	18.16	18.51	19.73	19.29	17.98	17.14	15.67	15.79
	Union Grove (5859) UG		18.22	19.02	17.63	18.05	20.23	20.63	19.40	17.71	16.44	17.38
	Yorkville (6748) YV		18.14	18.53	17.78	18.22	19.45	19.09	18.01	16.46	15.28	15.37
Tn Dover	Kansasville (1449) KV So. Colony (004) SC		18.76	20.60	18.28	18.26	19.75	18.64	18.78	15.79	15.29	15.53
	Burlington (0777) BU Eagle Lake (006) EL		17.33	17.61	17.45	18.65	18.04	17.59	17.06	15.73	14.53	13.83
	Kansasville (1449) KV Eagle Lake (006) EL		17.33	17.61	17.45	18.65	18.04	17.59	17.06	15.73	14.53	13.83
	Burlington (0777) BU Eagle Lake Mgt (100) EM		17.33	17.61	17.45	18.65	18.04	17.59	17.06	15.73	14.53	13.83
	Burl. (0777) BU Eagle Lk Mgt & Eagle Lk San (106) EM/EL		17.33	17.61	17.45	18.65	18.04	17.59	17.06	15.73	14.53	13.83
	Muskego/Norway Sch (3857) MN		18.03	18.38	18.37	17.56	17.09	17.34	17.54	16.71	15.12	13.93
	Norway J7 Sch (4011) NY		19.99	20.19	18.87	20.48	19.87	19.79	18.11	17.57	16.76	15.17
	Wash Caldwell (6104) WA		20.88	19.80	18.76	21.38	19.49	18.17	15.64	16.44	13.99	15.16
	Raymond Sch (4690) RA		17.98	18.30	17.85	18.00	18.03	17.76	16.14	16.12	15.15	14.90
	Waterford (6113) WF		18.45	18.19	17.73	18.58	18.29	18.21	17.39	16.81	15.48	15.15
Tn Norway	Muskego/Norway Sch (3857) MN		18.03	18.38	18.82	18.65	18.16	18.14	18.32	17.37	15.71	14.49
	Norway J7 (4011) NY	Norway #1 (001) NR	18.45	18.19	18.18	19.67	19.36	19.01	18.17	17.48	16.08	15.70
	Waterford (6113) WF	Norway #1 (001) NR	19.99	20.19	19.31	21.58	20.93	20.52	18.89	18.24	17.36	15.73
	Norway J7 (4011) NY	Norway #1 (001) NR	18.96	18.12	18.18	17.79	18.17	17.63	16.89	17.02	15.39	15.48
	Raymond #14 (4686) RM		19.04	18.69	17.92	17.96	18.86	18.19	17.27	16.66	15.30	15.45
	Yorkville J2 (6748) YV		18.05	18.17	18.30	18.19	19.14	18.39	17.24	16.76	15.68	15.87
	North Cape J1 (4690) NO		20.01	20.21	19.32	20.48	19.59	20.39	19.80	18.19	17.29	16.61
	Drought J7 (4011) DR		17.31	16.90	17.73	18.28	18.77	14.59	18.30	17.31	15.96	15.86
	Waterford Sch (6113) WF		17.03	16.49	17.14	16.85	16.81	16.45	15.83	15.66	14.49	13.81
	Burlington (0777) BU	Honey Lake LTS/RLHL	25.94	25.51	25.92	20.83	20.27	18.65	18.46	17.01	16.82	16.97
Tn Rochester	Burlington (0777) BU	Honey Lake REHAB HL	24.76	24.48	24.48	18.67	18.62	17.60	17.60	16.82	15.68	15.39
	Waterford (6113) WF		19.27	18.64	19.62	20.64	20.76	19.17	16.48	17.60	15.09	16.83
	Waterford (6113) WF		21.44	20.19	18.59	19.26	19.55	19.21	18.33	18.02	16.58	16.35
Tn Waterford	Waterford (6113) WF		18.88	17.91	17.18	17.69	18.20	17.60	16.86	16.62	15.29	15.40
	Yorkville J2 (6748) YV		19.28	20.04	19.29	19.58	20.05	19.30	18.47	17.88	16.58	16.42
Tn Yorkville	Yorkville J2 (6748) YV	Water (101) YW	18.35	18.74	17.03	17.43	18.97	18.18	17.84	16.45	16.45	17.41
Tn Union Grove	Union Grove UG		18.35	18.74	17.03	17.43	18.97	18.18	17.84	16.45	16.45	17.41

**TABLE 8
COUNTY OF RACINE
PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

(Amounts shown are per \$1,000 of Equalized Valuation)

(c)
2006
TL EQUALIZED
VALUE

MUNICIPALITY	SCHOOL DISTRICT	SANITARY DISTRICT	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Village Vil Caledonia	Unified (4620) UN	Crestview (740) CR/RR	\$21.34	\$20.37	\$20.70	\$20.90	\$20.83	\$19.33	\$19.36	\$19.01	\$17.49	\$16.43
	Unified (4620) UN	Crestview (749) CS/LM	21.48	20.70	21.05	21.25	21.17	19.63	19.65	19.29	17.74	16.83
	Unified (4620) UN	Caddy Vista (730) CV/RR	22.51	21.30	21.33	21.95	21.97	21.62	20.47	19.76	18.01	(b)
	Unified (4620) UN	North Park (709) NP/ LM	20.48	19.76	20.15	20.33	20.09	18.50	17.52	17.66	16.24	15.48
	Unified (4620) UN	North Park (710) NS/RR	20.73	19.85	20.19	20.37	20.30	18.75	18.70	17.88	16.60	15.67
	Unified (4620) UN	North Park (719) NW/LM	20.91	20.18	20.55	20.72	20.64	19.05	19.00	18.16	16.85	16.07
	Unified (4620) UN	Cal. #1 (400) CA/RR	20.50	19.61	19.71	20.03	20.47	18.96	18.87	18.25	16.76	15.74
	Unified (4620) UN	Cal. #1 (419) CA/NA/RR	21.04	20.14	20.89	21.24	21.40	19.91	19.77	19.07	17.50	16.38
	Unified (4620) UN	Cal. #1 (419) CW/C/LM	21.22	20.47	21.25	21.59	21.73	20.21	20.07	19.34	17.75	16.78
	Unified (4620) UN	Caledonia #1 (110) NA/RR	20.42	19.57	20.62	20.91	20.47	18.96	18.90	18.21	16.73	15.71
	Unified (4620) UN	Lake Michigan (109) LM	20.07	19.37	19.81	20.03	19.88	18.31	18.29	17.66	16.24	15.48
	Unified (4620) UN	Root River (100) RR	19.88	19.04	19.43	19.69	19.55	18.01	17.99	17.38	15.99	15.08
Vil Mt. Pleasant	Unified (4620) UN	Mt. Pleas. Storm MD MS	21.09	20.63	20.31	20.51	20.79	19.50	19.30	(a)	(a)	(a)
	Unified (4620) UN	SL MP 123,103,003,403	20.48	20.06	20.03	20.18	19.86	18.54	18.41	17.90	16.65	16.10
	Unified (4620) UN	Caledonia #1 CT	19.70	19.32	19.65	19.85	20.17	18.89	18.73	18.77	17.42	16.81
	Unified (4620) UN	No District (900) MT	20.32	19.89	19.37	19.53	19.24	17.92	17.84	(a)	(a)	(a)
Vil Elmwood Pk	Unified (4620) UN	46,304,800	18.33	17.27	17.70	17.92	17.75	16.24	16.13	15.99	15.00	14.33
Vil North Bay	Unified (4620) UN	38,953,600	20.87	21.54	21.54	21.59	21.54	19.82	19.14	17.84	16.59	15.81
Vil Rochester	Waterford Schs (6113) WF	80,752,500	18.51	19.48	17.28	17.89	18.34	18.20	17.27	16.71	15.87	15.73
Vil Sturtevant	Unified (4620) UN	307,325,800	20.24	19.65	20.64	21.59	21.15	18.86	20.15	19.62	18.18	17.52
Vil Union Grove	Union Grove (5859) UG	303,830,300	21.67	21.99	21.40	21.58	22.68	22.86	21.23	20.40	19.11	20.14
Vil Waterford	Waterford (6113) WF	415,399,900	23.02	23.88	23.05	23.78	23.64	23.39	22.14	21.56	19.63	19.65
Vil Wind Point	Unified (4620) UN	270,573,000	20.17	19.17	19.41	19.53	19.27	17.67	17.32	16.58	15.03	14.41

footnote:

- (a) As of 2004, School District Unified (4620) UN with no Sanitary District listed and Sanitary District (900) Mt no longer exists. The rate for Sanitary District Mt Pleasant Drainage MP was implemented.
- (b) As of 2006, Caddy Vista (730) CV/RR no longer exists. The rate for Caledonia #1 (410) CA/NA/RR was implemented.
- (c) 2006 total equalized value is used to apportion the tax levied in November and collected in the subsequent year.

**TABLE 9
COUNTY OF RACINE
RATIOS OF OUTSTANDING DEBT BY TYPE,
LAST TEN FISCAL YEARS**

GOVERNMENTAL ACTIVITIES

FISCAL YEAR	POPULATION (A)	EQUALIZED VALUATION (B)	TOTAL GOVT TYPE OBLIGATION DEBT	TAXABLE BONDS PAYABLE	TOTAL BUS TYPE OBLIGATION DEBT	TOTAL PRIMARY GOV. DEBT	Percent of Debt to Equalized Valuation	DEBT PER CAPITA
1997	186,435	\$ 7,290,310,800	\$ 15,533,147	\$ -	\$ 8,853,808	24,386,955	0.33%	130.81
1998	187,330	7,599,774,700	13,063,254	-	7,195,787	20,259,041	0.27%	108.15
1999	188,904	8,098,836,300	16,792,134	-	5,065,000	21,857,134	0.27%	115.70
2000	188,831	8,602,738,400	14,236,984	-	4,820,000	19,056,984	0.22%	100.92
2001	189,490	9,020,937,100	10,460,042	-	4,890,000	15,350,042	0.17%	81.01
2002	190,446	9,517,488,900	16,523,191	-	4,710,000	21,233,191	0.22%	111.49
2003	191,079	10,170,481,400	19,334,100	10,295,000	4,520,000	34,149,100	0.34%	178.72
2004	191,853	10,965,780,800	18,089,596	10,225,000	6,368,483	34,683,079	0.32%	180.78
2005	193,239	12,081,482,000	17,554,034	10,120,000	6,328,483	34,002,517	0.28%	175.96
2006	194,580	13,298,078,200	35,921,735	9,985,000	5,794,401	51,701,136	0.39%	265.71

Notes:

(A) Source: WI Dept of Admin. Population & Housing Estimates

(B) Value as reduced by tax incremental financing districts

**TABLE 10
COUNTY OF RACINE
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Equalized Value of Real and Personal Property	\$ 7,599,774,700	\$ 8,098,836,300	\$ 8,602,738,400	\$ 9,020,937,100	\$ 9,517,488,900	\$ 10,170,481,400	\$ 10,965,760,800	\$ 12,081,482,000	\$ 13,298,078,200	\$ 14,830,365,800
Debt Limit, 5% of Equalized Valuation (Wisconsin Statutory Limitation)	\$ 379,988,735	\$ 404,941,815	\$ 430,136,920	\$ 451,046,855	\$ 475,874,445	\$ 508,524,070	\$ 548,289,040	\$ 604,074,100	\$ 664,903,910	\$ 741,518,290
Amount of Debt Applicable to Debt Limitation:										
General Obligation Bonds	\$ 15,533,147	\$ 13,063,254	\$ 16,792,134	\$ 14,236,984	\$ 15,350,042	\$ 21,233,191	\$ 34,149,100	\$ 34,683,079	\$ 34,002,517	\$ 51,846,255
Less Debt Service Funds	(499,058)	(1,812,005)	(1,865,056)	(1,773,419)	(1,562,597)	(1,571,881)	(1,395,994)	(1,152,801)	(827,195)	(694,569)
Total Amount of Debt Applicable to Debt Margin	\$ 15,034,089	\$ 11,251,249	\$ 14,927,078	\$ 12,463,565	\$ 13,787,445	\$ 19,661,310	\$ 32,753,106	\$ 33,530,278	\$ 33,175,322	\$ 51,151,686
Legal Debt Margin - (Debt Capacity)	\$ 364,954,646	\$ 393,690,566	\$ 415,209,842	\$ 438,583,290	\$ 462,077,000	\$ 488,862,760	\$ 515,535,934	\$ 570,543,822	\$ 631,728,588	\$ 690,366,604
Percent of Debt Capacity Used	4.0%	2.8%	3.5%	2.8%	2.9%	3.9%	6.0%	5.8%	5.0%	6.9%

Footnote:
* State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total assessed valuation. The Equalized value shown on this table is as of January 1 of each year.
In 2003, the County borrowed 18.97 M for Jail project plus 3.365 M for other projects.

**TABLE 11
COUNTY OF RACINE
DEMOGRAPHIC AND ECONOMIC STATISTICS,
LAST TEN CALENDAR YEARS**

YEAR	(1) POPULATION	PERSONAL INCOME	(2) PER CAPITA PERSONAL INCOME	(3) PUBLIC SCHOOL ENROLLMENT	(3) PRIVATE SCHOOL ENROLLMENT	(4) UNEMPLOYMENT RATE
1997	186,435	\$ 4,847,496,435	\$ 26,001	*	*	4.1%
1998	187,330	5,095,001,340	27,198	21,983	4,684	3.9%
1999	188,904	5,191,648,632	27,483	21,702	4,357	4.4%
2000	188,831	5,434,367,349	28,779	21,250	4,821	3.9%
2001	189,490	5,655,139,560	29,844	21,102	4,796	5.5%
2002	190,446	5,776,417,626	30,331	21,265	4,732	6.4%
2003	191,079	5,975,231,409	31,271	21,565	4,393	7.0%
2004	191,853	6,282,034,632	32,744	21,457	4,533	6.0%
2005	193,239	*	*	21,244	4,348	6.0%
2006	194,580	*	*	21,175	4,262	5.7%

* Information not available

Sources:

- (1) Wisconsin Department of Admin. Population & Housing Estimates
- (2) Wisconsin Department of Workforce Development, OEA
- (3) Wisconsin Department of Public Instruction
- (4) Wisconsin Department of Workforce Development, OEA - figures are estimates

TABLE 13
 RACINE COUNTY
 FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM,
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Building & Facilities Management Division	17.50	17.50	18.00	17.80	18.00	17.80	17.80	14.80	14.00	13.00
Clerk of Circuit Court Office	38.00	38.00	38.00	38.00	38.00	38.00	38.00	37.00	36.00	35.00
Corporation Counsel	5.50	5.50	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60
County Board	32.00	32.00	32.00	32.00	32.00	24.00	24.00	23.50	23.50	23.50
County Clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50	3.50
County Executive	2.50	2.50	2.40	2.40	2.40	2.40	2.40	2.25	2.25	2.25
County Treasurer	4.00	4.00	4.00	4.00	4.00	4.50	4.50	4.50	4.50	4.50
District Attorney Office	12.00	12.00	12.50	12.50	12.50	12.50	12.50	11.50	11.00	10.00
Finance Department	7.50	7.00	7.00	7.00	7.00	8.00	8.00	8.00	7.00	6.50
Human Resources Department	7.00	7.00	7.00	8.00	8.00	8.00	8.00	7.00	7.00	6.00
Information System Division	11.50	14.75	15.00	16.00	16.00	21.00	21.00	12.00	8.00	8.00
Land Information Office	0.00	0.00	0.00	0.00	0.00	1.40	1.40	1.40	1.60	1.60
Mail Room/Print Shop Division	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Medical Examiner Office	2.50	2.50	2.50	2.50	2.50	2.70	2.70	2.075	2.075	2.075
Purchasing Department	5.00	4.00	4.00	4.00	4.00	3.50	3.50	3.00	3.00	3.00
Real Property Lister Division	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.44
Register of Deeds	8.00	8.00	5.50	6.00	6.00	7.00	7.00	7.00	6.50	6.44
UW - Extension	7.63	7.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Veterans Service Office	3.00	3.00	3.00	2.50	2.50	2.50	2.50	1.50	1.50	1.50
Victim Witness Office	5.00	6.00	7.00	7.50	7.50	7.50	7.50	7.00	7.50	6.50
Public safety										
Dispatch	0.00	0.00	0.00	0.00	18.00	18.00	18.00	46.00	47.00	47.00
Emergency Management Office	1.50	1.50	1.50	1.50	1.50	1.50	1.30	1.375	1.375	1.38
Jail	118.00	124.00	124.00	124.00	124.00	124.50	120.00	111.00	111.00	111.00
Jail Alternatives	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00
Sheriff Department	145.00	149.00	149.00	150.00	133.00	137.00	140.00	135.70	132.70	119.70
Health and social services										
Child Support Division	38.50	45.00	45.00	49.00	49.00	49.00	47.00	44.00	38.00	36.50
Family Court Commissioner	10.00	10.00	10.00	10.00	10.00	10.00	10.00	7.00	6.00	5.00
Human Service Division	247.00	242.25	239.00	235.50	232.50	228.50	227.00	217.50	211.50	205.00
Ridgewood Health Care Center	156.50	156.10	158.30	159.70	164.30	167.20	168.20	166.20	157.53	149.33
Education and recreation										
County Schools Office	138.50	146.50	156.00	165.70	173.00	182.70	184.50	190.50	188.80	0.00
Parks Division	19.20	19.40	19.40	19.40	17.00	17.00	16.00	12.00	12.00	11.00
Parks Division - Seasonal FTE	0.00	0.00	0.00	0.00	15.10	15.70	16.10	16.90	16.90	17.80
Development										
Code Administration Division	6.60	6.60	6.60	6.60	0.00	0.00	0.00	0.00	0.00	0.00
Land Conservation Division	2.40	2.40	2.40	2.40	2.40	2.40	2.00	2.00	3.00	3.50
Planning/Development Division *	6.00	6.00	6.00	7.00	13.60	13.20	13.60	11.60	9.40	8.90
Highways and streets										
Highway Division	74.50	74.50	75.50	75.50	75.50	75.50	74.50	72.50	71.50	66.95
Highway Division - Seasonal FTE	1141.83	1163.00	1168.20	1184.10	1213.30	1225.80	1223.00	1198.30	1163.13	937.55

Note: * Department name changed and # of employees increased. Over the years, many departments split differently

**TABLE 14
RACINE COUNTY
OPERATING INDICATORS BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	FISCAL YEAR										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
General Government											
Public safety											
Sheriff											
Calls for Service (a) - Sheriff only	45,907	48,969	47,928	64,622	71,035	65,515	63,965	63,941	64,839	59,372	
Arrests	14,362	14,124	16,094	16,040	16,584	23,361	22,501	25,024	25,685	21,486	
Sworn Personnel	197	197	197	197	200	204	201	192	180	167	
Average Daily Jail Population	544	645	644	612	592	633	636	645	671	683	
Jail Bookings	8,030	8,644	8,414	8,637	9,799	10,931	10,859	10,680	10,829	11,650	
Health and social services											
Human Service											
Economic Support Services											
Unduplicated Caseload (b)	6,096	5,950	3,941	6,995	8,060	9,192	11,270	12,001	12,529	12,828	
Youth apprehended	1,306	1,344	1,367	1,248	1,147	1,126	1,057	1,033	1,050	891	
Mental Health Inpatient Days	5,144	5,464	4,985	5,165	4,122	4,759	4,804	3,101	3,929	3,577	
WDC JobNet listings	6,959	9,140	10,467	9,603	13,817	7,741	2,655	6,137	9,768	7,808	
Ridgewood Care Center											
Admissions	*	*	141	171	119	160	187	206	373	341	
Discharges	*	*	148	164	117	161	190	206	372	354	
Education and recreation											
Parks **											
Daily Cliffside Park Camping Reservations	5,217	6,366	6,858	7,299	6,318	7,378	6,943	5,094	5,623	6,218	
Daily Fischer & Quarry Lake Entrance (c)	53,190	64,800	58,993	44,215	55,424	49,248	27,911	20,128	32,563	25,989	
Daily Fischer & Eagle Boat Launches	5,485	6,535	7,095	6,357	6,741	7,520	7,303	6,792	8,191	6,584	
Development											
Highways and streets											
Lane Miles Maintained											
County	335	335	335	335	335	330	330	330	330	330	
State	500	500	500	500	500	550	550	685	685	685	

* Information not available

** estimated

(a) Deputy generated traffic stops included in calls for service beginning in the last quarter of 1999 when computer aided dispatching began.

(b) Unduplicated counts are available on a monthly basis. This represents the December 1st CARES report information for each year.

(c) Beginning 2003, Quarry Lake no longer collected entrance fees

TABLE 15
CITY OF STATISTICAL
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS

<u>FUNCTION/PROGRAM</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>General Government</u>										
<u>Public safety</u>										
<u>Sheriff</u>										
Patrol Units	24	24	25	25	25	25	25	25	25	25
Stations	2	2	2	2	2	2	2	2	2	2
Jail Beds	650	650	650	650	650	650	650	650	650	650
<u>Health and social services</u>										
<u>Ridgewood Care Center</u>										
Licensed Beds	210	210	210	210	210	210	210	210	210	210
<u>Education and recreation</u>										
<u>Park Acreage:</u>										
Developed	1,821	1,821	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827
Undeveloped	741	745	745	745	745	749	755	772	793	837
Bike Trails Miles	26	26	27	27	29	29	29	33	34	34
Parkways Acres	648	652	652	652	652	656	656	673	694	694
<u>Highways and streets</u>										
<u>Vehicles and pieces of Equipment</u>										
Centerline Miles of County Roads	700	700	700	700	700	700	700	700	700	700
Bridges	335	335	335	335	335	330	330	330	330	330
Dams	16	16	16	16	16	16	16	16	16	16
	6	6	6	6	6	6	6	6	6	6