



COUNTY OF RACINE

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For the year ended December 31, 2009

COUNTY OF RACINE, WISCONSIN
Racine, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2009

Prepared by:
Racine County Finance Department

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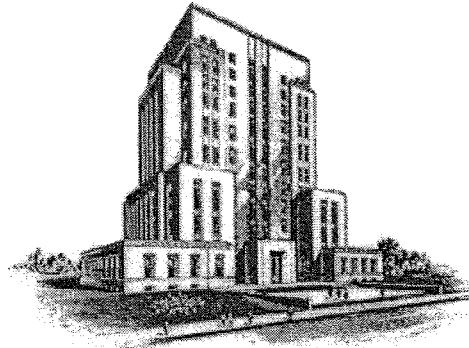
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INTRODUCTORY SECTION

COUNTY OF RACINE



RACINE COUNTY COURTHOUSE

1931

730 Wisconsin Avenue

RACINE, WISCONSIN

53403

PHONE 262-636-3706

Racine County Courthouse

Toll Free 1-800-242-4202

FINANCE DEPARTMENT
DOUGLAS STANSIL

June 30, 2010

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, 2009.

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, 2009, 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, 2009, 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 six towns. Racine County serves a population of 196,380.

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 2012. 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 four year terms on a partisan basis, County Clerk, County Treasurer, Register of Deeds, County Sheriff, and Clerk of Courts.

Racine County provides a full range of services, including 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 April 2010 was 9.9% which decreased from the April 2009 rate of 10.5%. 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 April 2010, Racine County has an employed labor force of approximately 86,960. Manufacturing accounts for approximately 20% of employment.

Long-term financial planning. Racine County has adopted The Strategic Economic Development Plan for Racine County. 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 plan is currently in it's fifth generation.

The County has received a declining amount of shared revenue from the state over the past several years. This trend stabilized in 2009 and 2008.

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 \$300,000 for regular claims, and \$750,000 for claims that involve federal benefits (USL & H and Jones Act). The excess policy provides coverage up to \$1 million in additional available payments per occurrence after the \$300,000 retention has been met by the County. The most this policy will pay out is \$1,000,000 per policy term.

The County is self funded for medical expenses of employees and eligible retirees. Third party coverage is currently maintained for individual claims in excess of \$250,000 up to a maximum payment of \$1,750,000 per person.

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

Additional information on Racine County's risk management activity can be found in Note IV.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 System's Actuary. An actuarially determined prior service liability does exist and is more fully described in note IV.D 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 608 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. The net OPEB obligation as of December 31, 2009 is \$42,446,659.

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

Awards

The Government Finance Officers association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Racine County for its comprehensive annual financial report for the fiscal year ended December 31, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



Douglas Stansil
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Racine
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

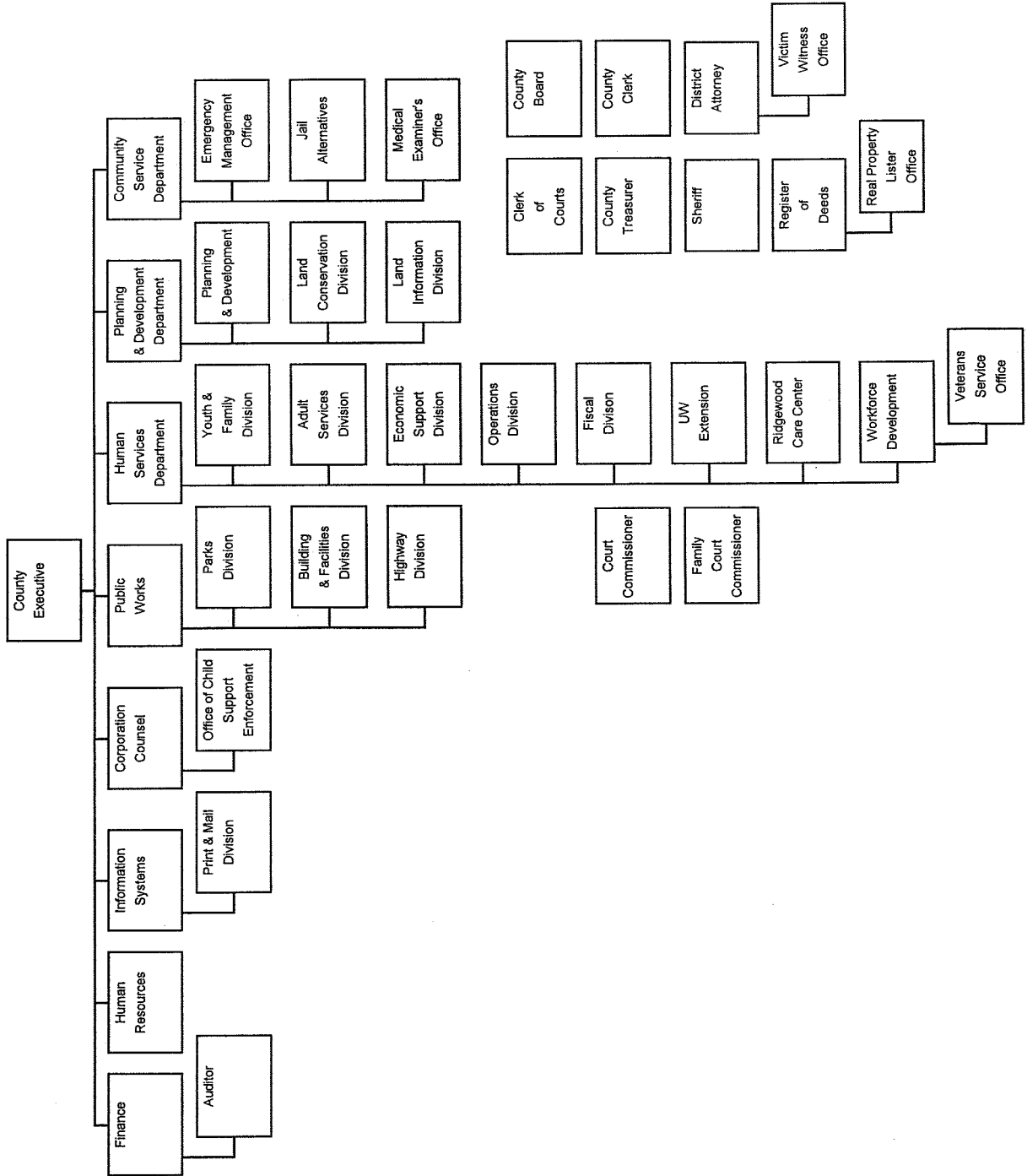


President

Executive Director

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Racine County Wide Organizational Chart



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RACINE COUNTY PRINCIPAL OFFICIALS

County Elected Officials *

County Executive, William L. McReynolds
County Clerk, Wendy M. Christensen
County Treasurer, Elizabeth A. Majeski
Register of Deeds, James A. Ladwig
Clerk of Circuit Court, Rose Lee
Sheriff, Robert Carlson

County Board of Supervisors

Peter L. Hansen, Chairman
Robert N. Miller, Vice-Chairman

Members: Donnie Snow
Gaynell Dyess
Diane M. Lange
Mike Dawson
Karen A. Nelson
Pamela Zenner-Richards
Van H. Wanggaard
Q.A. Shakoor, II
Daniel F. Sharkozy
Russell A. Clark
Katherine Buske

Mark M. Gleason
Michael J. Mikloasvich
Kenneth Hall
Jim Kaplan
Robert D. Grove
John Wisch
Joseph F. Bellante, Jr
Jeff Halbach
Gilbert Bakke
Thomas Pringle

Appointed Officials

Finance Director, Douglas B. Stansil
Corporation Counsel, Jonathan F. Lehman
Human Resources Director, Karen Galbraith
Information System Director, Terry DeBrabander
Human Service Director, Debra Jossart
Planning & Development Dept. Director, Julie A. Anderson
Public Works Dept. Director, David Prott
Ridgewood Health Care Center Administrator, Jonathan Delagrave

* In office at the time the report is issued.

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FINANCIAL SECTION

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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 for the General Fund and Human Services Fund of the County of Racine, Wisconsin, as of and for the year ended December 31, 2009, 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.

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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Human Services 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 June 30, 2010 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 13 through 24 and the required supplementary information on page 83 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 Henderson LLP

Racine, Wisconsin
June 30, 2010

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report. 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 \$71,711 (*net assets*). Of this amount, \$1,158 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net assets decreased by \$9,902.
- As of the close of the current fiscal year, Racine County's governmental funds reported combined ending fund balances of \$52,430, an increase of \$4,230 in comparison with the prior year. Approximately 29% of this total amount, \$15,113, is *available for spending* at the government's discretion (*unreserved undesignated fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$14,641, or 27% of total General Fund expenditures.
- Racine County's total general obligation debt decreased by \$113 during the current fiscal year. Factors in this decrease were the issuance of \$4,335 in general obligation notes and the payment of \$4,448 of debt principal.

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.

COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

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, 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. Separate financial statements are not published for the Housing Authority of Racine County.

The government-wide financial statements can be found on pages 25-27 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*.

COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

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 and the Human Services Fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America by the Board of Supervisors for all governmental funds except capital projects funds, for which multi-year budgets are adopted on or before December 1. An annual budget is not adopted for the Permanent Fund. The General Fund budget is adopted at the function level. All other funds are adopted at the total fund level. A more detailed description can be found at Note II. A of this report.

The basic governmental fund financial statements can be found on pages 28-31 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. 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, it has have been included within *governmental activities* in the government-wide financial statements.

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for fringe benefit, highway operations and fleet management services provided to other departments of the government, or to other governments on a cost reimbursement basis.

The basic proprietary fund financial statements can be found on pages 34-37 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 basic fiduciary fund financial statements can be found on page 38 of this report.

COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009

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 39-82 of this report.

Required supplementary information. A schedule of other postemployment benefit (OPEB) funding progress is presented as required supplementary information on page 83 of this report.

Other information. The combining and individual fund statements and schedules referred to earlier in connection with nonmajor governmental funds, as well as combining information for internal service and fiduciary funds and capital asset schedules are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 84-99 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 \$71,711 at the close of the most recent fiscal year.

Statement of Net Assets. The largest portion of Racine County's net assets (97%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), 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.

An additional portion of Racine County's net assets (1%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets, \$953 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Racine County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets decreased by \$9,902 during the current fiscal year.

**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

The following chart presents a summary of Racine County's net assets as of December 31, 2009.

RACINE COUNTY NET ASSETS

	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities	2009	2008
	2009	2008	2009	2008		
Current and other assets	\$ 124,379	\$ 121,422	\$ 1,151	\$ 1,741	\$ 125,530	\$ 123,164
Capital assets	99,301	96,773	9,572	9,920	108,873	106,693
Total assets	223,680	218,195	10,723	11,661	234,403	229,857
Long-term liabilities outstanding	93,958	76,740	4,847	5,319	98,805	82,059
Other liabilities	63,023	64,898	865	1,287	63,887	66,186
Total liabilities	156,980	141,638	5,712	6,606	162,692	148,245
Net assets:						
Invested in capital assets, net of related debt	64,602	62,153	5,161	4,889	69,763	67,043
Restricted	790	675	-	-	790	161
Unrestricted	1,308	13,730	(150)	166	1,158	13,895
Total net assets	\$ 66,700	\$ 76,558	\$ 5,011	\$ 5,055	\$ 71,711	\$ 81,099

Statement of activities. Governmental activities decreased Racine County's net assets by \$9,857. For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Business-type activities decreased Racine County's net assets by \$44. A summary of the statement of activities is presented below.

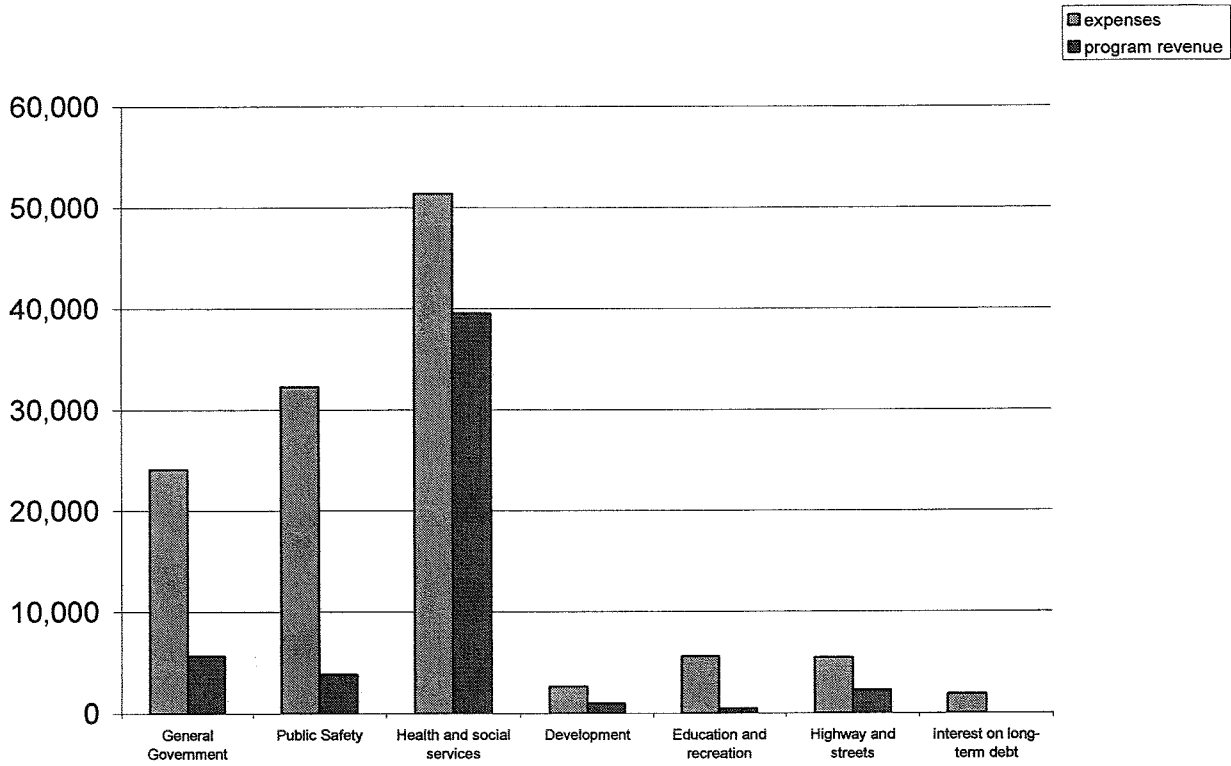
**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

RACINE COUNTY CHANGE IN NET ASSETS

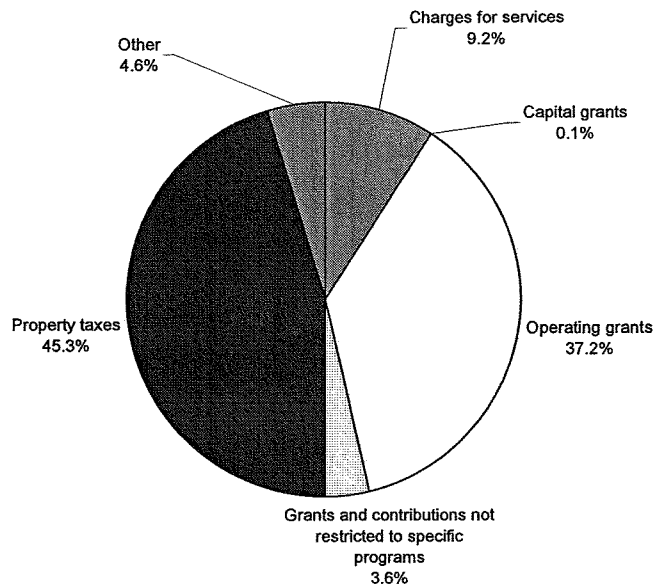
	Governmental Activities 2009	Governmental Activities 2008	Business-type Activities 2009	Business-type Activities 2008	Total 2009	Total 2008
Revenues:						
Program revenues:						
Charges for services	\$ 10,654	\$ 10,720	\$ 16,754	\$ 16,406	\$ 27,408	\$ 27,126
Operating grants and contributions	44,028	40,256	-	-	44,028	40,256
Capital grants and contributions	106	544	-	-	106	544
General revenues:						
Property taxes	51,397	50,239	-	-	51,397	50,239
Grants and contributions not restricted to specific programs	4,051	3,956	-	-	4,051	3,956
Other	4,631	5,092	-	-	4,631	5,092
Total revenues	114,867	110,807	16,754	16,406	131,621	127,213
Expenses:						
General Government	23,740	19,272	-	-	23,740	19,272
Public Safety	34,024	35,168	-	-	34,024	35,168
Health and social services	52,062	48,303	-	-	52,062	48,303
Development	2,634	1,920	-	-	2,634	1,920
Education and recreation	5,609	5,489	-	-	5,609	5,489
Highways and streets	5,483	6,130	-	-	5,483	6,130
Interest on long-term debt	1,869	1,948	-	-	1,869	1,948
Nursing Home	-	-	15,896	15,915	15,896	15,915
Golf	-	-	206	209	206	209
Total expenses	125,421	118,231	16,102	16,123	141,523	134,354
Change in net assets before transfers	(10,554)	(7,424)	652	283	(9,902)	(7,141)
Transfers	697	(118)	(697)	118	-	-
Change in net assets	(9,857)	(7,542)	(45)	401	(9,902)	(7,141)
Net assets - beginning	76,556	84,097	5,055	4,655	81,611	88,752
Net assets - ending	\$ 66,699	\$ 76,556	\$ 5,010	\$ 5,056	\$ 71,709	\$ 81,611

**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

Expenses and Program Revenues - Governmental Activities

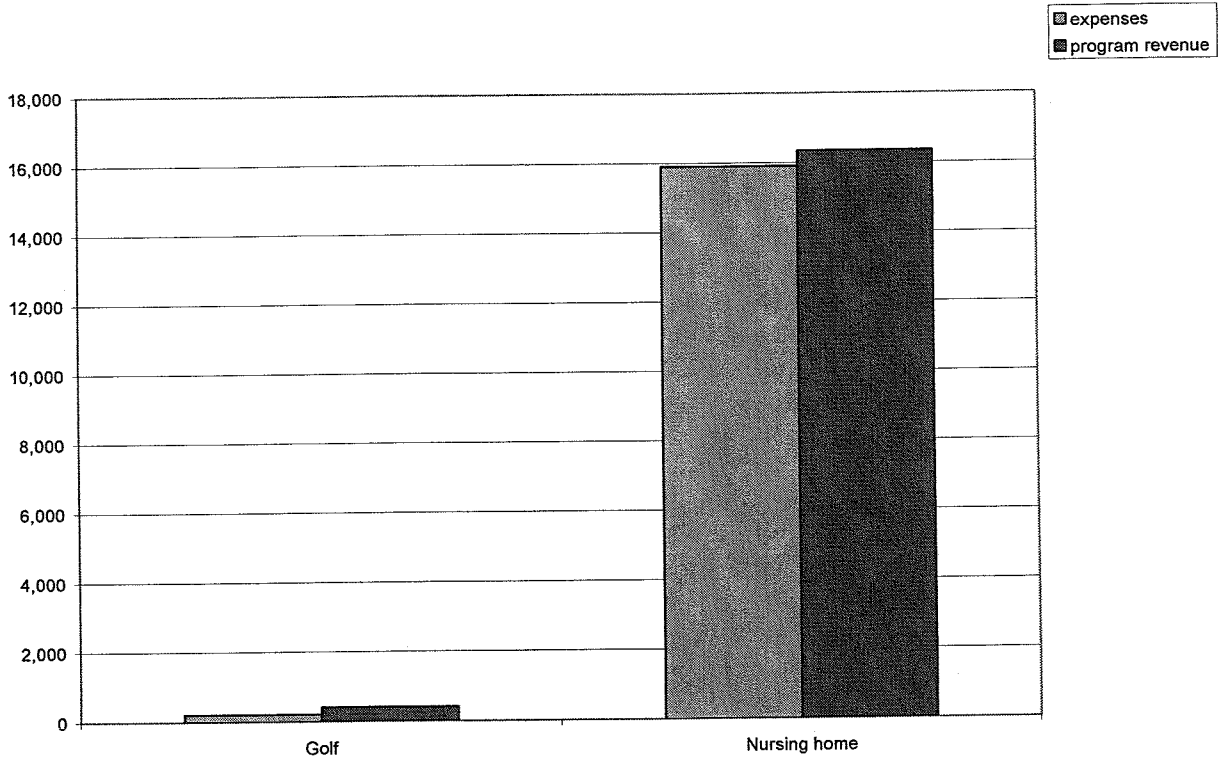


Revenues by Source - Governmental Activities

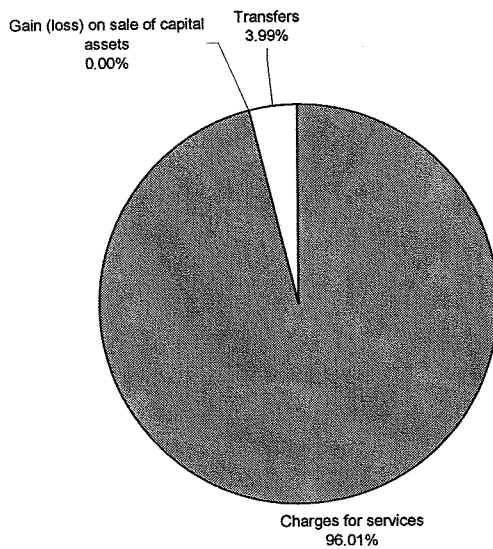


**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business Type Activities



**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

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 \$52,430, an increase of \$4,230 in comparison with the prior year. Approximately one quarter of this amount, \$15,113, 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 for the following purposes 1) debt service, 2) carryovers and encumbrances, 3) tax stabilization, 4) delinquent property taxes, 5) jail improvement, or 6) the subsequent year's 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 \$14,641, while total fund balance reached \$45,471. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved undesignated fund balance and total fund balance to total fund expenditures. Unreserved undesignated fund balance represents 29% of total General Fund expenditures, while total fund balance represents 83% of that same amount.

The fund balance of Racine County's General Fund increased by \$2,928 during the current fiscal year.

Key factors that increased fund balance are as follows:

- Net costs of self funded health care less than anticipated
- Retiree medical costs less than projected
- Less than budgeted tax support of Ridgewood Health Care Center

Key factors that decreased fund balance are as follows:

- Revenues from investments and fees from real estate transactions were less than anticipated due to the economic downturn.

**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

The Human Services Fund is used to account for the revenue and expenditures associated with the Human Services Department. Human Services is the largest department within County government and receives a wide variety of intergovernmental revenues. The Human Services Fund balance of \$1,032 includes of unreserved designated funds for tax stabilization that will be used in 2010. The fund balance of the Human Services department increased by \$925.

Key factors that increased fund balance are as follows:

- reduced corrections and other out of home placement costs for the youth population
- increases in W-2 funding recognized in 2009

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 Healthcare Center at the end of the year amounted to a deficit of \$(592) and those for Golf Course operations amounted to \$442. Ridgewood net assets decreased by \$82 while Golf Course net assets increased by \$37.

General Fund Budgetary Highlights

Significant differences between the original budget and the final amended budget (\$22,115 increase in appropriations) can be briefly summarized as follows:

- \$19,190 Carryovers and encumbrances from prior year
- \$ 494 Carryover of grants from the prior year
- \$ 608 Revenue transfers for unbudgeted planned expenses
- \$ 1,093 Grants awarded or increased during the year
- \$ 730 Other transfers per resolutions

The General Fund budgetary comparison is presented on page 32 of this report. Actual revenues were less than the final budget by \$3,360. This shortfall was primarily a result of intergovernmental revenues that were not received of \$3,305, and investment income less than anticipated due to the economic downturn. The intergovernmental revenues consist of grants which cross the County's fiscal year and programs which were not completed in 2009. In addition, fine and fees revenue was under budget by \$849 as a result of economic downturn.

Expenditures of the General Fund were less than budget by \$24,325. The majority of this variance is the result of budget carryovers from the prior year which were not expended during the year. This is reflected in the Unreserved / designated fund balance of \$18,878 at year end. The majority of the remaining variance is due to grants and other programs which were not completed in 2009.

**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

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, 2009 amounts to \$108,873, (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 C \$3,373
- Fox River Parkway 163
- Mutual Aid Radios 653
- HVAC Courthouse 108

**RACINE COUNTY CAPITAL ASSETS
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
	Land	\$ 21,434	\$ 21,186	\$ 1,132	\$ 1,132	\$ 22,566
Construction in progress	1,878	694	108	42	1,986	736
Capital assets being depreciated	75,990	74,892	8,332	8,746	84,321	83,638
Total	\$ 99,302	\$ 96,772	\$ 9,572	\$ 9,920	\$ 108,873	\$ 106,692

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 \$50,048. 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 Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
	Notes Payable	\$ 18,644	\$ 17,505	\$ 3,285	\$ 3,550	\$ 21,929
Bonds Payable	17,395	17,920	1,286	1,480	18,681	19,400
State Trust Fund Loan	83	101	-	-	83	101
Taxable Bonds Payable	9,355	9,605	-	-	9,355	9,605
Total	\$ 45,477	\$ 45,131	\$ 4,571	\$ 5,030	\$ 50,048	\$ 50,161

**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2009**

Racine County's total general obligation debt decreased by \$ \$113 (less than 1%) during the current fiscal year. The key factor in this decrease was a \$4,335 note issuance for various capital projects and repayment of principal of outstanding debt of \$4,448.

Racine County rating by Moody's for general obligation debt was increased in April 2010 to "Aa1" from "Aa2" as part of the recalibration project.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized valuation. The current debt limitation for Racine County is \$796 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 April 2010 is 9.9%, which is less than the 10.5% rate a year ago. This compares unfavorably to the state's average unemployment rate of 8.5%.

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 \$17,188 under the operating rate limit and \$4,724 under the debt service rate limit for the 2010 budget.

A tax levy limit was imposed by the State of Wisconsin for the 2010 budget year. The levy limit limits the growth of the tax levy for the sum of the general countywide levy 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 levies for handicapped education, libraries, and bridge aids, are exempt from the levy limit. Racine County was \$2,164 under the tax levy limit.

All of these factors were considered in preparing Racine County's budget for the 2010 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Racine County's finances for all those with an interest in the 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.

BASIC FINANCIAL STATEMENTS

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COUNTY OF RACINE, WISCONSIN
STATEMENT OF NET ASSETS
December 31, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing Authority
ASSETS				
Cash and cash equivalents	\$ 30,478,737	\$ 504,421	\$ 30,983,158	\$ 3,111,977
Investments	12,481,217	-	12,481,217	-
Receivables (net of allowance for uncollectibles)	77,204,139	2,278,126	79,482,265	183,543
Internal balances	1,985,790	(1,985,790)	-	-
Inventories	765,757	51,852	817,609	-
Prepaid items	870,399	3,889	874,288	20,965
Deferred charges	343,429	138,508	481,937	-
Restricted assets:				
Cash and cash equivalents	-	159,965	159,965	-
Investments	249,566	-	249,566	-
Capital assets not being depreciated:				
Land	21,433,809	1,131,761	22,565,570	96,000
Construction in progress	1,877,858	108,040	1,985,898	-
Capital assets being depreciated, net	75,989,577	8,331,745	84,321,322	692,718
Total assets	<u>223,680,278</u>	<u>10,722,517</u>	<u>234,402,795</u>	<u>4,105,203</u>
LIABILITIES				
Accounts payable and other current liabilities	11,349,263	733,357	12,082,620	905,197
Accrued interest payable	375,752	13,043	388,795	-
Due to other governments	129,135	-	129,135	-
Unearned revenues	51,168,425	32,187	51,200,612	24,167
Deposits	-	86,129	86,129	-
Noncurrent liabilities:				
Due within one year	8,870,376	835,455	9,705,831	-
Due in more than one year	85,087,329	4,011,760	89,099,089	-
Total liabilities	<u>156,980,280</u>	<u>5,711,931</u>	<u>162,692,211</u>	<u>929,364</u>
NET ASSETS				
Invested in capital assets, net of related debt	64,602,042	5,160,995	69,763,037	788,718
Restricted for:				
Debt service	306,815	-	306,815	-
Endowments				
Expendable	218,925	-	218,925	-
Nonexpendable	264,246	-	264,246	-
Unrestricted (deficit)	1,307,970	(150,409)	1,157,561	2,387,121
Total net assets	<u>\$ 66,699,998</u>	<u>\$ 5,010,586</u>	<u>\$ 71,710,584</u>	<u>\$ 3,175,839</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 23,739,108	\$ 4,073,569	\$ 1,787,786	\$ -
Public safety	34,024,144	2,595,433	2,571,182	634
Health and social services	52,062,294	3,311,152	36,674,982	-
Education and recreation	5,609,494	276,205	106,140	100,536
Development	2,634,043	398,080	612,592	-
Highways and streets	5,482,591	-	2,275,086	4,553
Interest and fiscal charges	1,869,319	-	-	-
Total governmental activities	<u>125,420,993</u>	<u>10,654,439</u>	<u>44,027,768</u>	<u>105,723</u>
Business-type activities:				
Healthcare Center	15,894,918	16,344,857	-	-
Golf Courses	206,099	408,822	-	-
Total business-type activities	<u>16,101,017</u>	<u>16,753,679</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 141,522,010</u>	<u>\$ 27,408,118</u>	<u>\$ 44,027,768</u>	<u>\$ 105,723</u>
Component unit:				
Housing Authority	<u>\$ 8,694,841</u>	<u>\$ 135,386</u>	<u>\$ 8,662,432</u>	<u>\$ -</u>

General Revenues:

- Property taxes for general purposes
- Property taxes for debt service
- Grants not restricted to specific programs
- Unrestricted investment earnings
- Other

Transfers

Total general revenues and transfers

Change in net assets

NET ASSETS

Beginning of year

End of Year

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Assets			Component
Primary Government			Unit
Governmental Activities	Business-type Activities	Total	Housing Authority
\$ (17,877,753)	\$ -	\$ (17,877,753)	\$ -
(28,856,895)	-	(28,856,895)	-
(12,076,160)	-	(12,076,160)	-
(5,126,613)	-	(5,126,613)	-
(1,623,371)	-	(1,623,371)	-
(3,202,952)	-	(3,202,952)	-
(1,869,319)	-	(1,869,319)	-
<u>(70,633,063)</u>	<u>-</u>	<u>(70,633,063)</u>	<u>-</u>
-	449,939	449,939	-
-	202,723	202,723	-
-	652,662	652,662	-
<u>(70,633,063)</u>	<u>652,662</u>	<u>(69,980,401)</u>	<u>-</u>
-	-	-	102,977
46,276,531	-	46,276,531	-
5,120,826	-	5,120,826	-
4,050,922	-	4,050,922	-
3,288,586	-	3,288,586	9,219
1,341,935	-	1,341,935	16,058
697,353	(697,353)	-	-
<u>60,776,153</u>	<u>(697,353)</u>	<u>60,078,800</u>	<u>25,277</u>
(9,856,910)	(44,691)	(9,901,601)	128,254
<u>76,556,908</u>	<u>5,055,277</u>	<u>81,612,185</u>	<u>3,047,585</u>
<u>\$ 66,699,998</u>	<u>\$ 5,010,586</u>	<u>\$ 71,710,584</u>	<u>\$ 3,175,839</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2009

	General	Human Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 29,869,363	\$ -	\$ 608,674	\$ 30,478,037
Investments	12,481,217	-	-	12,481,217
Receivables:				
Property taxes:				
Current year levy	44,444,256	-	6,495,139	50,939,395
Delinquent	11,754,988	-	-	11,754,988
Due from other governments	3,344,283	3,695,995	400,000	7,440,278
Interest and penalties	3,668,136	-	-	3,668,136
Other	1,972,934	517,768	-	2,490,702
Due from other funds	2,688,950	1,249,549	4,904,067	8,842,566
Inventories	11,900	-	-	11,900
Prepaid items	867,869	2,410	-	870,279
Restricted assets - investments	-	-	249,566	249,566
Total assets	\$ 111,103,896	\$ 5,465,722	\$ 12,657,446	\$ 129,227,064
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,763,070	\$ 4,415,793	\$ 234,809	\$ 7,413,672
Accrued liabilities	2,638,889	-	-	2,638,889
Due to other governments	129,135	-	-	129,135
Due to other funds	10,351,374	-	-	10,351,374
Deferred revenues	49,750,804	17,927	6,495,139	56,263,870
Total liabilities	65,633,272	4,433,720	6,729,948	76,796,940
FUND BALANCES				
Reserved for:				
Delinquent property taxes	10,221,115	-	-	10,221,115
Inventories and prepaid items	879,769	2,410	-	882,179
Encumbrances	851,288	-	-	851,288
Debt service	-	-	682,567	682,567
Endowments	-	-	483,171	483,171
Unreserved - designated - reported in:				
General Fund - designated for nonlapsing	17,741,923	-	-	17,741,923
General Fund - designated for tax stabilization	1,000,000	-	-	1,000,000
General Fund - designated for health insurance claims	135,722	-	-	135,722
Human Services Fund - designated for tax stabilization	-	1,029,592	-	1,029,592
Special Revenue Funds - designated for nonlapsing	-	-	2,001,144	2,001,144
Capital Projects Fund - designated for nonlapsing	-	-	2,288,885	2,288,885
Unreserved - undesignated - reported in:				
General Fund	14,640,807	-	-	14,640,807
Special Revenue Funds - undesignated	-	-	471,731	471,731
Total fund balances	45,470,624	1,032,002	5,927,498	52,430,124
Total liabilities and fund balances	\$ 111,103,896	\$ 5,465,722	\$ 12,657,446	\$ 129,227,064

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET ASSETS
December 31, 2009**

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

Fund balances of governmental funds	\$	52,430,124
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land		21,433,809
Construction in progress		1,877,858
Capital assets being depreciated, net		75,989,577
Less: Internal service fund capital assets, net of depreciation		(5,959,252)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
		5,098,497
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		(45,240,157)
Premium on long-term debt		(158,696)
Unamortized loss on refunding		158,597
Compensated absences		(3,897,525)
Claims and judgments		(2,136,348)
Net OPEB obligation		(42,446,659)
Accrued interest on long-term debt		(375,752)
Deferred charges		343,429
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>9,582,496</u>
Net assets of governmental activities	\$	<u>66,699,998</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, 2009

	<u>General</u>	<u>Human Services Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 44,337,375	\$ -	\$ 6,175,545	\$ 50,512,920
Intergovernmental	11,784,258	34,104,116	2,279,639	48,168,013
Fines and fees	6,961,700	125,291	-	7,086,991
Investment income	3,278,222	-	10,364	3,288,586
Miscellaneous	635,188	3,103,722	1,163,274	4,902,184
Total revenues	<u>66,996,743</u>	<u>37,333,129</u>	<u>9,628,822</u>	<u>113,958,694</u>
EXPENDITURES				
Current:				
General government	19,873,265	-	-	19,873,265
Public safety	26,553,273	-	-	26,553,273
Health and social services	3,386,866	43,703,086	-	47,089,952
Education and recreation	4,095,969	-	757,041	4,853,010
Development	1,715,127	-	-	1,715,127
Highways and streets	-	-	6,527,834	6,527,834
Capital outlay	600,170	-	1,371,326	1,971,496
Debt service:				
Principal retirement	-	-	3,953,246	3,953,246
Interest and fiscal charges	-	-	1,891,891	1,891,891
Total expenditures	<u>56,224,670</u>	<u>43,703,086</u>	<u>14,501,338</u>	<u>114,429,094</u>
Excess (deficiency) of revenues over expenditures	<u>10,772,073</u>	<u>(6,369,957)</u>	<u>(4,872,516)</u>	<u>(470,400)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,786,342	9,543,871	5,629,891	19,960,104
Transfers out	(12,630,128)	(2,249,308)	(4,722,103)	(19,601,539)
Proceeds of general obligation debt	-	-	4,335,000	4,335,000
Premium on debt issued	-	-	6,720	6,720
Total other financing sources (uses)	<u>(7,843,786)</u>	<u>7,294,563</u>	<u>5,249,508</u>	<u>4,700,285</u>
Net change in fund balances	2,928,287	924,606	376,992	4,229,885
FUND BALANCES				
Beginning of year	<u>42,542,337</u>	<u>107,396</u>	<u>5,550,506</u>	<u>48,200,239</u>
End of year	<u>\$ 45,470,624</u>	<u>\$ 1,032,002</u>	<u>\$ 5,927,498</u>	<u>\$ 52,430,124</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, 2009

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

Net changes in fund balances - total governmental funds	\$ 4,229,885
<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 net assets.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	1,971,496
Some items reported as current expenditures were capitalized	4,297,851
Depreciation is reported in the government-wide financial statements	(4,242,985)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets	(17,333)
The net revenue of the internal service funds is reported with governmental activities.	251,659
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.	884,437
<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 funds.</p>	
Debt issued	(4,335,000)
Principal repaid	3,953,246
<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 adjustments to long-term debt. They are amortized over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>	
Debt premium	(6,720)
Debt issuance costs	64,615
Amortization of debt premium	25,545
Amortization of debt issuance costs	(35,276)
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	(7,845)
Compensated absences	(14,979)
Claims and judgments	28,879
Net OPEB Obligation	<u>(16,888,525)</u>
Changes in net assets of the governmental activities	<u>\$ (9,856,910)</u>

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, 2009

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Taxes	\$ 44,610,631	\$ 44,610,631	\$ 44,337,375	\$ (273,256)
Intergovernmental	11,800,689	15,088,888	11,784,258	(3,304,630)
Fines and fees	7,795,945	7,810,550	6,961,700	(848,850)
Investment income	3,990,000	3,991,030	3,278,222	(712,808)
Miscellaneous	214,864	302,216	635,188	332,972
Total revenues	<u>68,412,129</u>	<u>71,803,315</u>	<u>66,996,743</u>	<u>(4,806,572)</u>
EXPENDITURES				
Current:				
General government	21,321,972	37,583,541	19,873,265	17,710,276
Public safety	27,827,430	28,806,321	26,553,273	2,253,048
Health and social services	3,425,131	3,848,784	3,386,866	461,918
Education and recreation	4,399,299	4,431,009	4,095,969	335,040
Development	1,375,634	3,352,811	1,715,127	1,637,684
Capital outlay	<u>85,000</u>	<u>2,526,944</u>	<u>600,170</u>	<u>1,926,774</u>
Total expenditures	<u>58,434,466</u>	<u>80,549,410</u>	<u>56,224,670</u>	<u>24,324,740</u>
Excess (deficiency) of revenues over expenditures	<u>9,977,663</u>	<u>(8,746,095)</u>	<u>10,772,073</u>	<u>19,518,168</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,721,402	1,753,957	4,786,342	3,032,385
Transfers out	<u>(11,652,409)</u>	<u>(11,691,354)</u>	<u>(12,630,128)</u>	<u>(938,774)</u>
Total other financing sources (uses)	<u>(9,931,007)</u>	<u>(9,937,397)</u>	<u>(7,843,786)</u>	<u>2,093,611</u>
Net change in fund balances	46,656	(18,683,492)	2,928,287	21,611,779
FUND BALANCES				
Beginning of year	<u>42,542,337</u>	<u>42,542,337</u>	<u>42,542,337</u>	<u>-</u>
End of year	<u>\$ 42,588,993</u>	<u>\$ 23,858,845</u>	<u>\$ 45,470,624</u>	<u>\$ 21,611,779</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
HUMAN SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2009

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 31,595,946	\$ 34,526,851	\$ 34,104,116	\$ (422,735)
Fines and fees	74,704	147,873	125,291	(22,582)
Miscellaneous	<u>3,314,312</u>	<u>3,261,143</u>	<u>3,103,722</u>	<u>(157,421)</u>
Total revenues	<u>34,984,962</u>	<u>37,935,867</u>	<u>37,333,129</u>	<u>(602,738)</u>
EXPENDITURES				
Current:				
Health and social services	<u>42,328,374</u>	<u>45,107,496</u>	<u>43,703,086</u>	<u>1,404,410</u>
Total expenditures	<u>42,328,374</u>	<u>45,107,496</u>	<u>43,703,086</u>	<u>1,404,410</u>
Excess (deficiency) of revenues over expenditures	<u>(7,343,412)</u>	<u>(7,171,629)</u>	<u>(6,369,957)</u>	<u>801,672</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,289,823	7,294,563	9,543,871	2,249,308
Transfers out	<u>-</u>	<u>-</u>	<u>(2,249,308)</u>	<u>(2,249,308)</u>
Total other financing sources (uses)	<u>7,289,823</u>	<u>7,294,563</u>	<u>7,294,563</u>	<u>-</u>
Net change in fund balances	(53,589)	122,934	924,606	801,672
FUND BALANCES				
Beginning of year	<u>107,396</u>	<u>107,396</u>	<u>107,396</u>	<u>-</u>
End of year	<u>\$ 53,807</u>	<u>\$ 230,330</u>	<u>\$ 1,032,002</u>	<u>\$ 801,672</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Ridgewood Healthcare Center</u>	<u>Golf Courses</u>	<u>Totals</u>	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,000	\$ 501,421	\$ 504,421	\$ 700
Receivables (net of allowance for uncollectibles)	2,277,706	420	2,278,126	20,647
Due from other governments	-	-	-	889,993
Due from other funds	-	-	-	4,197,758
Inventories	51,852	-	51,852	753,857
Prepaid items	3,889	-	3,889	120
Deferred charges	138,508	-	138,508	-
Total current assets	<u>2,474,955</u>	<u>501,841</u>	<u>2,976,796</u>	<u>5,863,075</u>
Noncurrent assets				
Restricted assets:				
Cash and cash equivalents	159,965	-	159,965	-
Capital assets not being depreciated:				
Land	-	1,131,761	1,131,761	-
Construction in progress	27,414	80,626	108,040	8,140
Capital assets being depreciated:				
Buildings	11,238,913	1,586,392	12,825,305	3,701,545
Improvements other than buildings	252,938	3,218,758	3,471,696	1,809,711
Machinery and equipment	2,137,293	-	2,137,293	9,685,890
Less: accumulated depreciation	<u>(8,011,064)</u>	<u>(2,091,485)</u>	<u>(10,102,549)</u>	<u>(9,246,034)</u>
Total capital assets	<u>5,645,494</u>	<u>3,926,052</u>	<u>9,571,546</u>	<u>5,959,252</u>
Total noncurrent assets	<u>5,805,459</u>	<u>3,926,052</u>	<u>9,731,511</u>	<u>5,959,252</u>
Total assets	<u>8,280,414</u>	<u>4,427,893</u>	<u>12,708,307</u>	<u>11,822,327</u>
LIABILITIES				
Current liabilities				
Accounts payable and other current liabilities	708,802	24,555	733,357	1,296,702
Accrued interest payable	13,043	-	13,043	-
Due to other funds	1,950,718	35,072	1,985,790	703,160
Unearned revenue	32,187	-	32,187	3,052
Deposits	86,129	-	86,129	-
Compensated absences	365,361	-	365,361	-
Current maturities on bonds payable	470,094	-	470,094	35,831
Total current liabilities	<u>3,626,334</u>	<u>59,627</u>	<u>3,685,961</u>	<u>2,038,745</u>
Noncurrent liabilities				
Long term maturities on bonds payable	4,011,760	-	4,011,760	201,086
Total liabilities	<u>7,638,094</u>	<u>59,627</u>	<u>7,697,721</u>	<u>2,239,831</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,234,943	3,926,052	5,160,995	5,950,230
Unrestricted (deficit)	<u>(592,623)</u>	<u>442,214</u>	<u>(150,409)</u>	<u>3,632,266</u>
Total net assets	<u>\$ 642,320</u>	<u>\$ 4,368,266</u>	<u>\$ 5,010,586</u>	<u>\$ 9,582,496</u>

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 Year Ended December 31, 2009

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Ridgewood Healthcare Center</u>	<u>Golf Courses</u>	<u>Totals</u>	
OPERATING REVENUES				
Resident charges for services, net	\$ 16,324,635	\$ -	\$ 16,324,635	\$ -
Highway charges and fees	-	-	-	10,026,168
Other	20,222	408,822	429,044	23,599
Total operating revenues	<u>16,344,857</u>	<u>408,822</u>	<u>16,753,679</u>	<u>10,049,767</u>
OPERATING EXPENSES				
Resident services	6,426,097	-	6,426,097	-
Operations and maintenance	4,677,851	6,070	4,683,921	-
Administration	3,847,496	-	3,847,496	-
Highway maintenance	-	-	-	9,548,651
Other	173,583	-	173,583	-
Depreciation	541,036	200,029	741,065	539,653
Total operating expenses	<u>15,666,063</u>	<u>206,099</u>	<u>15,872,162</u>	<u>10,088,304</u>
Operating income	<u>678,794</u>	<u>202,723</u>	<u>881,517</u>	<u>(38,537)</u>
NONOPERATING EXPENSE				
Interest expense	(180,453)	-	(180,453)	(8,607)
Amortization expense	(21,114)	-	(21,114)	-
Loss on disposal of capital assets	(27,288)	-	(27,288)	(39,985)
Total nonoperating expense	<u>(228,855)</u>	<u>-</u>	<u>(228,855)</u>	<u>(48,592)</u>
Income (loss) before transfers	<u>449,939</u>	<u>202,723</u>	<u>652,662</u>	<u>(87,129)</u>
TRANSFERS				
Transfers in	1,561,894	-	1,561,894	1,153,384
Transfers out	(2,093,611)	(165,636)	(2,259,247)	(814,596)
Total net transfers	<u>(531,717)</u>	<u>(165,636)</u>	<u>(697,353)</u>	<u>338,788</u>
Change in net assets	(81,778)	37,087	(44,691)	251,659
NET ASSETS				
Beginning of year	<u>724,098</u>	<u>4,331,179</u>	<u>5,055,277</u>	<u>9,330,837</u>
End of year	<u>\$ 642,320</u>	<u>\$ 4,368,266</u>	<u>\$ 5,010,586</u>	<u>\$ 9,582,496</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2009**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Ridgewood Healthcare Center</u>	<u>Golf Courses</u>	<u>Totals</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers and users	\$ 16,341,134	\$ 408,758	\$ 16,749,892	\$ 6,210,040
Received from interfund services provided	-	-	-	7,037,863
Paid for interfund services provided	719,675	39,965	759,640	(3,089,810)
Paid to suppliers	(5,808,301)	8,485	(5,799,816)	(1,706,959)
Paid to employees	(9,771,281)	-	(9,771,281)	(7,646,382)
Net cash provided by operating activities	<u>1,481,227</u>	<u>457,208</u>	<u>1,938,435</u>	<u>804,752</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	1,561,894	-	1,561,894	1,153,384
Transfers out	(2,093,611)	(165,636)	(2,259,247)	(814,596)
Net cash provided by (used in) noncapital financing activities	<u>(531,717)</u>	<u>(165,636)</u>	<u>(697,353)</u>	<u>338,788</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(297,170)	(122,957)	(420,127)	(1,099,101)
Principal paid on capital debt	(459,479)	-	(459,479)	(35,832)
Interest paid on capital debt	(182,856)	-	(182,856)	(8,607)
Net cash used in capital and related financing activities	<u>(939,505)</u>	<u>(122,957)</u>	<u>(1,062,462)</u>	<u>(1,143,540)</u>
Net increase in cash and cash equivalents	10,005	168,615	178,620	-
CASH AND CASH EQUIVALENTS				
Beginning of year	<u>152,960</u>	<u>332,806</u>	<u>485,766</u>	<u>700</u>
End of year	<u>\$ 162,965</u>	<u>\$ 501,421</u>	<u>\$ 664,386</u>	<u>\$ 700</u>

The accompanying notes are an integral part of this statement.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Ridgewood Healthcare Center</u>	<u>Golf Courses</u>	<u>Totals</u>	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 678,794	\$ 202,723	\$ 881,517	\$ (38,537)
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation	541,036	200,029	741,065	539,653
Bad debt expense	75,000	-	75,000	-
Changes in assets and liabilities:				
Receivables	(91,797)	(64)	(91,861)	442,970
Due from other funds	-	4,893	4,893	407,564
Inventories	16,768	-	16,768	(236,795)
Prepaid items	(3,483)	-	(3,483)	1,059
Due to other funds	719,675	35,072	754,747	(697,232)
Accounts payable	(454,734)	14,555	(440,179)	306,835
Unearned revenue	13,074	-	13,074	3,052
Other liabilities	(13,106)	-	(13,106)	76,183
Net cash provided by operating activities	<u>\$ 1,481,227</u>	<u>\$ 457,208</u>	<u>\$ 1,938,435</u>	<u>\$ 804,752</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Unrestricted cash and cash equivalents	\$ 3,000	\$ 501,421	\$ 504,421	\$ 700
Restricted cash and cash equivalents	<u>159,965</u>	<u>-</u>	<u>159,965</u>	<u>-</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 162,965</u>	<u>\$ 501,421</u>	<u>\$ 664,386</u>	<u>\$ 700</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
December 31, 2009

	<u>Total Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,601,276
Receivables:	
Delinquent property taxes	210,868
Other	<u>266,302</u>
Total assets	<u><u>\$ 3,078,446</u></u>
 LIABILITIES	
Accounts payable	\$ 970
Agency deposits	<u>3,077,476</u>
Total liabilities	<u><u>\$ 3,078,446</u></u>

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

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 an elected 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 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. The 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.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (continued)

Discretely presented component unit

The Housing Authority of Racine County is responsible for providing affordable housing to low to moderate income families in Racine County. The Housing Authority of Racine County is a legally separate organization. The members of its governing board are appointed by and are responsible to the County Executive. Wisconsin statutes provide for circumstances where the County can impose its will on the housing authority, and also create a potential financial benefit or burden on the County. The Housing Authority of Racine County is presented as a discretely presented component unit in the government-wide financial statements. The information presented is for the fiscal year ended December 31, 2009. Separate financial statements are not published for the Housing Authority of Racine County which follows the same accounting policies as Racine County.

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 non-fiduciary 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*.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

Each of the funds of the reporting entity are 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 enterprise 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.
- c. In addition, any other governmental or enterprise funds that the County believes are 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 *Human Services Special Revenue Fund* accounts for the financial activities of the Human Services Department for Racine County taxpayers.

The government reports the following major enterprise funds:

The *Ridgewood Healthcare Center Fund* accounts for the activities of the government's nursing home operations.

The *Golf Courses Fund* accounts for the activities of the two County owned golf courses.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

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 Road Maintenance Special Revenue Fund accounts for County highway and road maintenance. The County Handicapped Education Special Revenue Fund accounts for the activities of providing educational services for special education students in western Racine County. The County Bridge Aids Special Revenue Fund accounts for 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.

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

Permanent Fund - The Permanent Fund is used to 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 of the government, or to other governments, on a cost reimbursement basis.

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

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, including other postemployment benefits, and claims and judgments, are recorded only when payment is due.

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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 also 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 proprietary 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, 2009**

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 Fund Equity

1. Cash and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

Investments are stated 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, 2009 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, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash and investments (continued)

The investments in the Local Government Investment Pool (the Pool) are covered up to \$400,000 by the State Guarantee Fund. Certificates of deposit held in the Pool are covered by FDIC insurance, which applies to the proportionate public unit share of accounts.

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

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

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

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and payables (continued)

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

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

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 fund include the Bushnell endowment and related income which is restricted for use in Bushnell Park.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital assets

Government-wide financial statements

Capital assets, which include property, buildings, 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 back trending (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.

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, buildings, 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

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital assets (continued)

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 and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. For governmental activities, the compensated absences are generally liquidated by the General Fund.

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 for health claims are recorded as a liability in the statement of net assets and in the governmental fund financial statements.

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. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt on a straight-line method basis. Long-term debt is reported net of the applicable premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Long-term obligations (continued)

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as 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.
- 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. Reserved fund balance includes fund balance which is legally restricted or unavailable to finance current expenditures. 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.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

The County amends the adopted budget for funds encumbered for specific purposes from previous periods. These funds are authorized for specific purposes as restricted by County Board resolution or grantor agency regulation. The County's 2009 adopted General Fund budget was increased \$1,992,933. The 2009 adopted budget for the Human Services Fund was increased \$2,179,270. The 2009 adopted budget for the Capital Projects Fund was increased \$1,030. The 2009 adopted budget for the County Bridge Aids Special Revenue Fund was increased \$26,930. The 2009 adopted budget for the County Road Maintenance Special Revenue Fund was decreased \$169,592.

B. Excess of Expenditures over Appropriations

The Capital Projects Fund had excess expenditures over appropriations of \$264,884, which were financed by available fund balance.

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

Wisconsin legislation was passed that limits the County's future tax levy rates. Generally, the County is limited to prior tax levy dollar amounts (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 County is in compliance with the limitation. The County may 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 also imposes restrictions on the County's ability to issue new debt. Generally, referendum approval is required to issue unlimited 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, 2009**

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

D. Deficit Fund Balance

The Fringe Benefits Internal Service Fund had a deficit fund balance of \$114,985 as of December 31, 2009. The County plans to make rate adjustments in future years to cover the deficit.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County had the following deposits and investments as of December 31, 2009.

Petty cash	\$ 7,672
Demand deposits	18,686,151
Repurchase agreement	4,807,401
U.S. Government Agency Securities	3,829,468
U.S. Treasury Notes	1,276,354
Commerical paper	7,624,960
Local Government Investment Pool	<u>10,243,176</u>
 Total	 <u>\$ 46,475,182</u>
 Reconciliation to the financial statements	
Per statement of net assets	
Unrestricted cash and cash equivalents	\$ 30,983,158
Unrestricted investments	12,481,217
Restricted cash and cash equivalents	159,965
Restricted investments	249,566
Per statement of fiduciary net assets -	
Agency Funds	<u>2,601,276</u>
Total Cash and Investments	<u>\$ 46,475,182</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited coverage for noninterest bearing accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, although the fund had resources available at December 31, 2009, the future availability of resources to cover any losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provide that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished. 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.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

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. The County's investment policy will allow the Treasurer to place funds in excess of five hundred thousand dollars (\$500,000) in any bank so named as a county depository without the effect of collateralization if standards established by the finance committee are maintained. As of December 31, 2009, all of the County's demand 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. The County's investment policy will allow the Treasurer to place funds in excess of five hundred thousand dollars (\$500,000) in any bank so named as a county depository without the effect of collateralization if standards established by the finance committee are maintained. As of December 31, 2009, the County's repurchase agreement was insured or fully collateralized.

As of December 31, 2009, the County's following investments were held by the counterparty in the County's name.

	Fair Value
U.S. Government Agency Securities	\$ 3,829,468
U.S. Treasury Notes	1,276,354
Commerical paper	7,624,960
Total	\$ 12,730,782

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 in U.S. Treasury Notes, Bills and Bonds and time deposits to a maximum maturity of 182 days unless otherwise approved by Racine County Finance Committee. All Racine County investments are permissible under Wisconsin Statutes.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

Interest Rate Risk (continued)

The following is a summary of investments by maturity:

	<u>Fair Value</u>	<u>12 months or less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
U.S. Government Agency Securities	\$ 3,829,468	\$ 35,967	\$ 10,334	\$ 3,783,167
U.S. Treasury Notes	1,276,354	25,593	981,532	269,229
Commerical paper	7,624,960	421,165	1,396,038	5,807,757
Local Government Investment Pool	<u>10,243,176</u>	<u>10,243,176</u>	-	-
Total	<u>\$ 22,973,958</u>	<u>\$ 10,725,901</u>	<u>\$ 2,387,904</u>	<u>\$ 9,860,153</u>

Credit Risk

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

It is the County's practice to limit its investments in these investment types to the top rating issued by NRSROs. As of December 31, 2009, 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>
Commercial paper	\$ 973,412	AA2
Commercial paper	315,412	A2
Commerical paper	6,336,136	AAA
Local Government Investment Pool	10,243,176	Not rated

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

Concentration of Credit Risk

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

B. Receivables

Receivables as of year-end for the government's fund financial statements, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Human Services Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Ridgewood Healthcare Center</u>
Taxes - current year levy	\$ 44,444,256	\$ -	\$ 6,495,139	\$ -
Taxes - delinquent	11,964,863	-	-	-
Interest and penalties	3,668,136	-	-	-
Patient accounts	-	-	-	2,430,837
Due from other governments	3,344,283	3,695,995	400,000	-
Other	1,972,934	517,768	-	-
Total receivables	65,394,472	4,213,763	6,895,139	2,430,837
Less allowance for uncollectibles	209,875	-	-	153,131
Net total receivables	<u>\$ 65,184,597</u>	<u>\$ 4,213,763</u>	<u>\$ 6,895,139</u>	<u>\$ 2,277,706</u>

	<u>Golf Courses</u>	<u>Internal Service Funds</u>	<u>Agency Funds</u>	<u>Total</u>
Taxes - current year levy	\$ -	\$ -	\$ -	\$ 50,939,395
Taxes - delinquent	-	-	210,868	12,175,731
Interest and penalties	-	-	-	3,668,136
Patient accounts	-	-	-	2,430,837
Due from other governments	-	889,993	-	8,330,271
Other	420	20,647	266,302	2,778,071
Total receivables	420	910,640	477,170	80,322,441
Less allowance for uncollectibles	-	-	-	363,006
Net total receivables	<u>\$ 420</u>	<u>\$ 910,640</u>	<u>\$ 477,170</u>	<u>\$ 79,959,435</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

Delinquent Taxes

Delinquent property taxes purchased from other taxing districts 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, 2009, delinquent property taxes by year levied consists of the following:

	<u>Total</u>	<u>County Levied</u>	<u>County Purchased</u>
Tax certificates			
2008	\$ 6,158,763	\$ 923,814	\$ 5,234,949
2007	2,508,458	376,269	2,132,189
2006	878,314	140,530	737,784
2005	317,869	50,859	267,010
2004 and prior	207,210	34,646	172,564
Tax deeds	<u>1,684,374</u>	<u>7,755</u>	<u>1,676,619</u>
 Total Delinquent Property Taxes Receivable	 <u>\$ 11,754,988</u>	 <u>\$ 1,533,873</u>	 <u>\$ 10,221,115</u>

Patient Accounts

Receivables from patients are shown net of an allowance for uncollectible accounts of \$153,131 at December 31, 2009. Patient services revenues are recorded as services are rendered. Private pay patient rates are determined by management. Medicaid and Medicare rates are determined by the Wisconsin Department of Health Services.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

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. The Town elected to pay off the note in February of 2010.

Deferred Revenue

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	\$ -	\$ 50,939,395	\$ 50,939,395
Delinquent property taxes receivable	5,098,497	-	5,098,497
Other deferred revenue	-	229,030	229,030
	<u> </u>	<u> </u>	<u> </u>
Total deferred/unearned revenue for governmental funds	<u>\$ 5,098,497</u>	<u>\$ 51,168,425</u>	<u>\$ 56,266,922</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 21,186,053	\$ 247,756	\$ -	\$ 21,433,809
Construction in progress	<u>694,461</u>	<u>1,615,418</u>	<u>(432,021)</u>	<u>1,877,858</u>
Total capital assets, not being depreciated	<u>21,880,514</u>	<u>1,863,174</u>	<u>(432,021)</u>	<u>23,311,667</u>
Capital assets, being depreciated:				
Buildings	64,329,982	515,587	-	64,845,569
Improvements other than buildings	8,786,680	125,255	-	8,911,935
Machinery and equipment	22,631,725	1,779,347	(569,074)	23,841,998
Infrastructure	<u>27,545,108</u>	<u>3,517,106</u>	<u>-</u>	<u>31,062,214</u>
Total capital assets, being depreciated	<u>123,293,495</u>	<u>5,937,295</u>	<u>(569,074)</u>	<u>128,661,716</u>
Less accumulated depreciation for:				
Buildings	(21,680,584)	(1,585,588)	-	(23,266,172)
Improvements other than buildings	(4,059,266)	(366,361)	-	(4,425,627)
Machinery and equipment	(14,273,725)	(1,787,036)	511,756	(15,549,005)
Infrastructure	<u>(8,387,682)</u>	<u>(1,043,653)</u>	<u>-</u>	<u>(9,431,335)</u>
Total accumulated depreciation	<u>(48,401,257)</u>	<u>(4,782,638)</u>	<u>511,756</u>	<u>(52,672,139)</u>
Total capital assets, being depreciated, net	<u>74,892,238</u>	<u>1,154,657</u>	<u>(57,318)</u>	<u>75,989,577</u>
Total capital assets, net	<u>\$ 96,772,752</u>	<u>\$ 3,017,831</u>	<u>\$ (489,339)</u>	<u>\$ 99,301,244</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. 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	<u>42,356</u>	<u>80,626</u>	<u>(14,942)</u>	<u>108,040</u>
Total capital assets, not being depreciated	<u>1,174,117</u>	<u>80,626</u>	<u>(14,942)</u>	<u>1,239,801</u>
Capital assets, being depreciated:				
Buildings	12,673,597	186,018	(34,310)	12,825,305
Improvements other than buildings	3,366,920	104,776	-	3,471,696
Machinery and equipment	<u>2,093,279</u>	<u>63,649</u>	<u>(19,635)</u>	<u>2,137,293</u>
Total capital assets, being depreciated	<u>18,133,796</u>	<u>354,443</u>	<u>(53,945)</u>	<u>18,434,294</u>
Less accumulated depreciation for:				
Buildings	(5,505,287)	(361,544)	7,937	(5,858,894)
Improvements other than buildings	(1,619,583)	(174,497)	-	(1,794,080)
Machinery and equipment	<u>(2,263,271)</u>	<u>(205,024)</u>	<u>18,720</u>	<u>(2,449,575)</u>
Total accumulated depreciation	<u>(9,388,141)</u>	<u>(741,065)</u>	<u>26,657</u>	<u>(10,102,549)</u>
Total capital assets, being depreciated, net	<u>8,745,655</u>	<u>(386,622)</u>	<u>(27,288)</u>	<u>8,331,745</u>
Total capital assets, net	<u>\$ 9,919,772</u>	<u>\$ (305,996)</u>	<u>\$ (42,230)</u>	<u>\$ 9,571,546</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

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	\$ 526,090
Public safety	1,817,402
Health and social services	478,264
Education and recreation	382,611
Development	526,091
Highways and streets	<u>1,052,180</u>

Total depreciation expenses - governmental activities \$ 4,782,638

Business-type Activities:

Healthcare Center	\$ 541,036
Golf Courses	<u>200,029</u>

Total depreciation expenses - business-type activities \$ 741,065

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2009, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Ridgewood Healthcare Center	\$ 1,950,718
	Golf Courses	35,072
	Billable Internal Service Fund	703,160
		<u>2,688,950</u>
Human Services Fund	General Fund	<u>1,249,549</u>
Nonmajor Governmental Funds		
County Road Maintenance	General Fund	2,098,030
County Bridge Aid	General Fund	204,700
County Handicapped Education	General Fund	235,626
Capital Projects Fund	General Fund	2,058,213
Debt Service Fund	General Fund	227,498
Permanent Fund	General Fund	80,000
		<u>4,904,067</u>
Internal Service Funds		
Fringe Benefits Internal Service Fund	General Fund	3,878,493
Fleet Internal Service Fund	General Fund	319,265
		<u>4,197,758</u>
Total due from other funds		13,040,324
Less fund eliminations		<u>(11,054,534)</u>
Total Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 1,985,790</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, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 237,147
	Golf Courses	165,636
	Fleet Internal Service Fund	40,640
	Ridgewood Healthcare Center	2,093,611
	Human Services Fund	<u>2,249,308</u>
		<u>4,786,342</u>
Human Services Fund	General Fund	9,539,131
	Capital Projects Fund	<u>4,740</u>
		<u>9,543,871</u>
Nonmajor Governmental Funds		
Debt Service Fund	Capital Projects Fund	332,312
Capital Projects Fund	Fleet Internal Service Fund	301,000
County Road Maintenance Fund	General Fund	2,084,913
County Road Maintenance Fund	Fleet Internal Service Fund	397,456
County Road Maintenance Fund	Capital Projects Fund	<u>2,514,210</u>
		<u>5,629,891</u>
Ridgewood Healthcare Center	General Fund	967,139
	Debt Service Fund	241,196
	Capital Projects Fund	278,059
	Fleet Internal Service Fund	<u>75,500</u>
		<u>1,561,894</u>
Fringe Benefits Internal Service Fund	County Road Maintenance Fund	235,000
Fleet Internal Service Fund	Debt Service Fund	44,439
Fleet Internal Service Fund	General Fund	38,945
Fleet Internal Service Fund	County Road Maintenance Fund	60,000
Fleet Internal Service Fund	Capital Projects Fund	<u>775,000</u>
		<u>1,153,384</u>
Total transfers from other funds		22,675,382
Less fund eliminations		<u>(21,978,029)</u>
Total Interfund Transfers - Government-Wide Statement of Net Assets		<u>\$ 697,353</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, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt

Long-term liability activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation debt					
Notes payable	\$ 17,504,637	\$ 4,335,000	\$ 3,195,521	\$ 18,644,116	\$ 3,576,813
Bonds payable	17,920,000	-	525,000	17,395,000	525,000
State trust fund loan payable	101,515	-	18,557	82,958	19,392
Taxable bonds payable	<u>9,605,000</u>	<u>-</u>	<u>250,000</u>	<u>9,355,000</u>	<u>300,000</u>
Total general obligation debt	45,131,152	4,335,000	3,989,078	45,477,074	4,421,205
Bond premium (discount)	177,521	6,720	(25,545)	158,696	26,067
Unamortized loss on refunding	<u>(174,457)</u>	<u>-</u>	<u>15,860</u>	<u>(158,597)</u>	<u>(15,860)</u>
Net general obligation debt	45,134,216	4,341,720	3,979,393	45,477,173	4,431,412
Compensated absences	3,882,546	2,967,686	2,952,707	3,897,525	3,897,525
Net OPEB liability	25,558,134	24,640,353	7,751,828	42,446,659	-
Claims and judgments	<u>2,165,227</u>	<u>1,122,291</u>	<u>1,151,170</u>	<u>2,136,348</u>	<u>541,439</u>
Governmental activities Long-term liabilities	<u>\$ 76,740,123</u>	<u>\$ 33,072,050</u>	<u>\$ 15,835,098</u>	<u>\$ 93,957,705</u>	<u>\$ 8,870,376</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Business-type activities:					
General obligation debt					
Bonds payable	\$ 3,550,000	\$ -	\$ 265,000	\$ 3,285,000	\$ 275,000
Notes payable	<u>1,480,364</u>	<u>-</u>	<u>194,479</u>	<u>1,285,885</u>	<u>203,187</u>
Total general obligation debt	5,030,364	-	459,479	4,570,885	478,187
Unamortized loss on refunding	<u>(97,124)</u>	<u>-</u>	<u>8,093</u>	<u>(89,031)</u>	<u>(8,093)</u>
Net general obligation debt	4,933,240	-	467,572	4,481,854	470,094
Compensated absences	<u>385,890</u>	<u>311,331</u>	<u>331,860</u>	<u>365,361</u>	<u>365,361</u>
Business-type activities Long-term liabilities	<u>\$ 5,319,130</u>	<u>\$ 311,331</u>	<u>\$ 799,432</u>	<u>\$ 4,847,215</u>	<u>\$ 835,455</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt (continued)

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 4,421,205	\$ 1,788,633	\$ 478,187	\$ 165,030
2011	4,348,370	1,598,733	496,895	147,576
2012	3,278,152	1,458,987	533,019	128,868
2013	3,096,543	1,342,385	620,586	107,626
2014	3,247,804	1,227,325	642,198	84,188
2015-2019	14,720,000	4,386,443	1,800,000	187,285
2020-2024	9,530,000	1,646,509	-	-
2025-2026	2,835,000	129,038	-	-
Total	<u>\$45,477,074</u>	<u>\$13,578,053</u>	<u>\$4,570,885</u>	<u>\$ 820,573</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 12/31/09</u>
General Obligation Notes				
Series 2001	4/1/2001	6/1/2010	3.40%-4.20%	\$ 580,000
Series 2003A	4/15/2003	6/1/2012	2.75%-3.55%	1,970,000
Series 2004	9/15/2004	6/1/2014	3.00%-3.45%	2,215,000
Series 2005	5/1/2005	6/1/2014	3.45%-3.75%	1,020,000
Series 2006	7/18/2006	3/1/2016	4.35%-5.00%	1,675,000
Series 2007	6/7/2007	6/1/2017	3.875%	1,950,000
Series 2008	6/17/2008	6/1/2018	3.00%-3.75%	3,695,000
Series 2009	9/15/2009	12/1/2019	1.75%-4.65%	4,335,000
Series 2005 General Obligation Refunding Notes	4/15/2005	6/1/2019	3.00%-4.10%	5,775,000
2003 Taxable General Obligation Refunding Bonds	4/15/2003	6/1/2022	4.00% - 5.70%	9,355,000
Board of Comm of Public Lands PL 2003	5/7/2003	3/15/2013	4.50%	82,959
Series 2006 General Obligation Bond	3/15/2006	6/1/2026	4.00%-4.50%	<u>17,395,000</u>
Total General Obligation debt				50,047,959
Less amount applicable to business-type activities				<u>(4,570,885)</u>
Governmental activities General Obligation debt				<u>\$ 45,477,074</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt (continued)

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

Wisconsin statutes limit direct general obligation borrowing in the amount equivalent to 5% of the equalized valuation of taxable property. At December 31, 2009, the County's debt margin and legal debt limit is calculated as follows:

Equalized Value of Real and Personal Property		\$ 15,912,047,700
		<u>5%</u>
Debt Limit, 5% of Equalized Valuation		795,602,385
Amount of Debt Applicable to Debt Limitation:		
General Obligation debt	\$ 50,047,959	
Less Debt Service Funds	<u>(682,567)</u>	
Total Amount of Debt Applicable to Debt Margin		<u>49,365,392</u>
Legal Debt Margin - (Debt Capacity)		<u><u>\$ 746,236,993</u></u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Net Assets/Fund Balances

Net Assets

The calculation of net assets as of December 31, 2009 is as follows:

Governmental Activities

Invested in capital assets, net of related debt	
Capital assets, net of accumulated depreciation	\$ 99,301,244
Less: outstanding long term debt (net of debt premiums and discounts)	(45,477,173)
Plus: Noncapital related long term debt	9,355,000
Plus: Unspent bond proceeds	<u>1,422,971</u>
	<u>64,602,042</u>
Restricted:	
For Debt service	306,815
For Endowments	
Expendable	218,925
Nonexpendable	<u>264,246</u>
	<u>789,986</u>
Unrestricted	<u>1,307,970</u>
Total net assets	<u>\$ 66,699,998</u>

Business-Type Activities

Invested in capital assets, net of related debt	
Capital assets, net of accumulated depreciation	\$ 9,571,546
Less: outstanding long term debt (net of debt premiums and discounts)	(4,481,854)
Plus: Noncapital related long term debt	-
Plus: Unspent bond proceeds	<u>71,303</u>
	<u>5,160,995</u>
Unrestricted (deficit)	<u>(150,409)</u>
Total net assets	<u>\$ 5,010,586</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Net Assets/Fund Balances (continued)

Fund Balances

The details of the fund balances as of December 31, 2009 are as follows:

Reserved

General Fund

Reserved for delinquent property taxes	\$ 10,221,115
Reserved for inventories and prepaids	879,769
Reserved for encumbrances	851,288
	<u>11,952,172</u>

Human Services Fund

Reserved for inventories and prepaids	<u>2,410</u>
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Nonmajor Governmental Funds

Debt Service Funds

Reserved for debt service	682,567
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Permanent Fund

Reserved for endowments	483,171
	<u>1,165,738</u>

Total reserved fund balance

13,120,320

Unreserved, designated

General Fund - designated for nonlapsing accounts	17,741,923
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General Fund - designated for tax stabilization	1,000,000
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General Fund - designated for health insurance claims	135,722
---	---------

Human Services Fund - designated for tax stabilization	1,029,592
--	-----------

Nonmajor Governmental Funds

Road Maintenance Fund - designated for nonlapsing accounts	1,796,444
--	-----------

County Bridge Aids Fund - designated for nonlapsing accounts	204,700
--	---------

Capital Projects Fund - designated for nonlapsing accounts	2,288,885
--	-----------

24,197,266

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Net Assets/Fund Balances (continued)

Fund Balances (continued)

Unreserved, undesignated (deficit)	
General Fund	14,640,807
Nonmajor Governmental Funds	
Road Maintenance Fund	236,105
County Handicapped Education Fund	<u>235,626</u>
	<u>15,112,538</u>
 Total unreserved fund balance	 <u>39,309,804</u>
 Total fund balance	 <u>\$ 52,430,124</u>

H. Discretely Presented Component Unit

Cash and Investments

The Housing Authority of Racine County (Housing Authority) had the following deposits and investments as of December 31, 2009.

Petty cash	\$	100
Demand deposits		<u>3,111,877</u>
 Total		 <u>\$3,111,977</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited coverage for noninterest bearing accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, although the fund had resources available at December 31, 2009, the future availability of resources to cover any losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provide that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished. 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.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Discretely Presented Component Unit (continued)

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, 2009, all of the Housing Authority's total deposits were insured or fully collateralized.

Receivables

Receivables as of year-end for the Housing Authority including the applicable allowances for uncollectible accounts, are as follows:

Notes Receivable:	
Current	\$ 10,251
Non-current	129,703
Other	<u>48,100</u>
	188,054
Less allowance for uncollectibles	<u>(4,511)</u>
Total net receivables	<u>\$ 183,543</u>

Capital Assets

Property, plant, and equipment of the Housing Authority, 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

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Discretely Presented Component Unit (continued)

Activity for the Housing Authority for the year ended December 31, 2009, 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	1,703,560	-	-	1,703,560
Improvements other than buildings	138,100	-	-	138,100
Machinery and equipment	102,934	-	-	102,934
Total capital assets, being depreciated	<u>1,944,594</u>	<u>-</u>	<u>-</u>	<u>1,944,594</u>
Less accumulated depreciation:				
Buildings	(991,283)	(58,743)	-	(1,050,026)
Improvements other than buildings	(91,116)	(7,800)	-	(98,916)
Machinery and equipment	(102,934)	-	-	(102,934)
Total accumulated depreciation	<u>(1,185,333)</u>	<u>(66,543)</u>	<u>-</u>	<u>(1,251,876)</u>
Total capital assets, being depreciated, net	<u>759,261</u>	<u>(66,543)</u>	<u>-</u>	<u>692,718</u>
Total capital assets, net	<u>\$ 855,261</u>	<u>\$ (66,543)</u>	<u>\$ -</u>	<u>\$ 788,718</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Discretely Presented Component Unit (continued)

Other Post Employment Benefits

Plan Description and Funding Policy

The Housing Authority provides post-retirement health care and life insurance benefits, in accordance the Housing Authority's personnel policy, to all retirees who are eligible to receive a monthly annuity from the Wisconsin Retirement System. Two retirees meet these eligibility requirements at December 31, 2009. The contribution requirements of plan members are established and may be amended by the Housing Authority. The Housing Authority's current policy provides for contributions to the plan based on a pay as you go method. During fiscal year 2009, the Housing Authority created a separate irrevocable trust to administer the benefit plan. A contribution of \$250,000 was made to the trust during fiscal year 2009. The trust is accounted for on the accrual basis of accounting.

Annual OPEB Cost and Net OPEB Obligation

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

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

Annual r equired contribution	\$ 63,759
Contributions made	<u>(250,000)</u>
Change in net OPEB obligation	(186,241)
Net OPEB obligation - beginning of year	<u>88,328</u>
Net OPEB asset - end of year	<u>\$ (97,913)</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Discretely Presented Component Unit (continued)

Other Post Employment Benefits (continued)

The Housing Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for December 31, 2009 and the two preceding years were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
12/31/2007	\$ 6,543	0.0%	\$ 623
12/31/2008	94,082	0.0%	88,328
12/31/2009	63,759	100.0%	(97,913)

Funded Status and Funding Progress

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

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

<u>Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b) - (a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a) / c]</u>
12/31/2007	12/31/2007	\$ -	\$ 106,587	\$ 106,587	0.00%	\$392,308	27.17%
12/31/2008	12/31/2008	-	1,197,890	1,197,890	0.00%	476,669	251.30%
12/31/2009	12/31/2009	250,845	860,286	609,441	29.16%	487,866	124.92%

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Discretely Presented Component Unit (continued)

Other Post Employment Benefits (continued)

Actuarial Methods and Assumptions

The Housing Authority used an alternative measurement method software provided by the actuary for a valuation date of December 31, 2009. The alternative measurement method software uses the entry age actuarial cost method. The alternative measurement method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in the plan and the experience by the actuarial assumptions.

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

The alternative measurement method used the following assumptions. A discount rate and employer asset return of 5.875% and 5.500%, respectively; age adjustment factor of 2.099745, an average retirement age of 60, projected salary increases of 3.00%, amortization period of 30 years, RP2000 mortality table for males and females projected 10 years and the standard turnover assumptions in GASB Statement No. 45, paragraph 35b. The alternative measurement method developed estimates of annual medical costs per retiree by age based on the Housing Authority's current premiums, adjusted for demographic differences between retirees and all participants (actives and retirees combined). The healthcare cost trend rates used in the alternative measurement method ranged from 9.00% in year one to 4.700% in year 10.

Defined Benefit Pension Plan

All eligible Housing Authority 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 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, to the plan. Employers may make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Discretely Presented Component Unit (continued)

Defined Benefit Pension Plan (continued)

The payroll for Housing Authority employees covered by the System for the year ended December 31, 2009 was \$475,897 and the employer's total payroll was \$487,886. The total required contribution for the year ended December 31, 2009 was \$49,493 or 10.4% which was entirely financed by the Housing Authority. Total contributions for the years ending December 31, 2008 and 2007 were approximately \$48,306 and \$41,709, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 are entitled to receive a retirement benefit. Employees may retire at age 55 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 are 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 System used the "Entry Age Normal with Frozen Initial Liability" actuarial method in establishing employer contribution rates. Under this method, the unfunded accrued actuarial liability (pension-related debt) is affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any liabilities caused by changes in benefit provisions. All actuarial gains or losses arising from the difference between actual and assumed experience are reflected in the determination of the normal cost.

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.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

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 an 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 \$300,000 for regular claims and \$750,000 for claims that involve federal benefits (USL & H and Jones Act). The excess policy provides coverage up to \$1 million in additional available payments per occurrence after the \$300,000 retention has been met by the County. The most this policy will pay out is \$1,000,000 per policy term.

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

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>2009</u>	<u>2008</u>
Unpaid claims - beginning	\$ 2,165,227	\$1,980,756
Incurred claims	1,122,291	987,567
Claims paid	<u>(1,151,170)</u>	<u>(803,096)</u>
Unpaid claims - ending	<u>\$ 2,136,348</u>	<u>\$2,165,227</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

IV. OTHER INFORMATION (CONTINUED)

C. Risk Management (continued)

Medical Self Insurance

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

	<u>2009</u>	<u>2008</u>
Unpaid claims - beginning	\$ 1,162,930	\$ 1,535,031
Incurred claims	16,102,707	16,060,541
Claims paid	<u>(16,009,939)</u>	<u>(16,432,642)</u>
Unpaid claims - ending	<u>\$ 1,255,698</u>	<u>\$ 1,162,930</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 5.7% of their salary (3.0% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.2% for Protective Occupations without Social Security), to the plan. Employers may make contributions to the plan on behalf of the employees. Employers 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, 2009 was \$41,280,398 the employer's total payroll was \$44,584,706. The total required contribution for the year ended December 31, 2009 was \$4,563,881 or 11.1% which was entirely financed by the County. Total contributions for the years ending December 31, 2008 and 2007 were \$4,622,218 and \$4,647,835, respectively, equal to the required contributions for each year.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) 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 System used the "Entry Age Normal with Frozen Initial Liability" actuarial method in establishing employer contribution rates. Under this method, the unfunded accrued actuarial liability (pension-related debt) is affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any liabilities caused by changes in benefit provisions. All actuarial gains or losses arising from the difference between actual and assumed experience are reflected in the determination of the normal cost.

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 Employment Benefits

Plan Description

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 Wisconsin Retirement System. Approximately 662 retirees meet these eligibility requirements at December 31, 2009.

All employees are eligible based on the following criteria: (1) any current retiree who has applied for WRS annuity; (2) retirees after ratification of the 2005-06 contract need 10 years of service; (3) Retirees after January 1, 2015 need 15 years of service; (4) Racine County School Office employees who were put on layoff status on June 30, 2006, will be eligible for benefits based on service on June 30, 2006. Retirees pay a percentage of the total premium based on years of service at retirement.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

Plan Description (continued)

The percentages range from five percent to fifty percent based on the number of years of service at the retirement date. Retirees also receive a postemployment life insurance benefit based on the group they were employed by. This benefit is \$3,000 for the Ridgewood RN group and the Teamsters Group. Attorneys retiring after January 1, 2002 receive \$750. All other groups receive \$5,000.

Funding Policy

The contribution requirements of plan members are established and may be amended by the County. The County's current policy provides for contributions to the plan based on a pay as you go method. The plan does not issue a publicly available financial report.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The remaining amortization period at December 31, 2009 was 27 years using the level dollar amortization method.

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

Annual r equired contribution	\$ 25,038,423
Interest on annual required contribution	1,022,325
Adjustment to ARC	(1,420,395)
Contributions made	<u>(7,751,828)</u>
Increase in net OPEB obligation	16,888,525
Net OPEB obligation - beginning of year	<u>25,558,134</u>
 Net OPEB obligation - end of year	 <u>\$ 42,446,659</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for December 31, 2009 and the two preceding years were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2007	\$ 21,186,934	32.19%	\$ 13,069,484
12/31/2008	21,434,727	41.74%	25,558,134
12/31/2009	24,640,353	31.46%	42,446,659

Funded Status and Funding Progress

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

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

<u>Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b) - (a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a) / c]</u>
12/31/2007	12/31/2007	\$ -	\$ 253,048,039	\$ 253,048,039	0.00%	\$ 42,794,998	591.30%
12/31/2008	12/31/2008	-	264,224,667	264,323,777	0.00%	44,286,911	596.84%
12/31/2009	12/31/2009	-	328,478,041	328,478,041	0.00%	38,804,927	846.49%

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

Actuarial Methods and Assumptions

In the January 1, 2009 actuarial valuation, the unit credit actuarial cost method was used. The actuarial cost method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in the plan and the experience by the actuarial assumptions.

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

The actuary used the following assumptions. The Wisconsin Retirement System (WRS) assumptions as reported in the December 31, 2008 actuarial valuation report were used for the mortality pre-retirement, post-retirement and post-disability, employee turnover and withdrawal, disablement, and retirement rates. Ninety-five percent (95%) of future retirees are expected to participate in the County's retiree medical coverage, as of their retirement date for all departments except for the Racine County School Office (RCSO) which used 100% of future retirees. Sixty five percent (65%) of future retirees were assumed to elect family coverage at retirement. For current retirees, actual family retiree participation and coverage election was used. Medical trend rate assumptions were based on past and present experience, and actuary judgment.

Actuarial Methods and Assumptions (continued)

The rates used are 9.3% per annum down to 4.4% per annum over a 20 year period. The actuary developed estimates of annual medical costs per retiree by age based on the County's current premiums, adjusted for demographic differences between retirees and all participants (actives and retirees combined).

F. Future Changes in Accounting Principles

During the past three years, the Governmental Accounting Standards Board has issued several statements that will affect governmental reporting.

In June 2007, the Governmental Accounting Standards Board issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement will generally require all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The provisions of this Statement are required to be applied retroactively. The County will adopt this new standard beginning in 2010, the year in which adoption is first required for the County. The impact of adopting this statement retroactively has not yet been determined.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

IV. OTHER INFORMATION (CONTINUED)

F. Future Changes in Accounting Principles (continued)

In June 2008, the Governmental Accounting Standards Board issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. Derivative instruments, however, also can expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts. The County will adopt this new standard beginning in 2010, the year in which adoption is first required for the County. However, the county currently does not engage in the use of derivative instruments.

In March 2009, the Governmental Accounting Standards Board issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The requirements in this Statement will improve financial reporting by providing fund balance categories and classifications that will be more easily understood. Elimination of the *reserved* component of fund balance, as currently reported in the balance sheet, in favor of a *restricted* classification will provide consistency between information reported in the government-wide statements and information in the governmental fund financial statements. The County will adopt this new standard beginning in 2011, the year in which adoption is first required for the County.

In June 2009, the Governmental Accounting Standards Board issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurement by employers that participate in agent multiple-employer other postemployment benefit plans. The County will implement the requirements of this standard beginning with the year ending December 31, 2012.

In June 2009, Governmental Accounting Standards Board issued Statement No. 58, *Accounting and Reporting for Chapter 9 Bankruptcies*. This statement provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy code. The County will implement the requirements of this standard beginning with the year ending December 31, 2010.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009**

IV. OTHER INFORMATION (CONTINUED)

G. Subsequent Events

Management evaluated subsequent events through June 30, 2010, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2009, but prior to June 30, 2010 that provide additional evidence about conditions that existed at December 31, 2009, have been recognized in the financial statements for the year ended December 31, 2009. Events or transactions that provided evidence about conditions that did not exist at December 31, 2009 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2009.

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

REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF RACINE, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - OPEB
Year Ended December 31, 2009

Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
Primary Government							
Racine County School Office							
12/31/2007	12/31/2007	\$ -	\$ 16,944,000	\$ 16,944,000	0.00%	\$ 3,121,712	542.78%
12/31/2008	12/31/2008	-	17,706,480	17,706,480	0.00%	3,230,540	548.10%
12/31/2009	12/31/2009	-	22,588,251	22,588,251	0.00%	5,506,809	410.19%
Other County Departments							
12/31/2007	12/31/2007	\$ -	\$ 236,104,039	\$ 236,104,039	0.00%	\$ 39,673,286	595.12%
12/31/2008	12/31/2008	-	247,518,187	247,518,187	0.00%	41,056,371	602.87%
12/31/2009	12/31/2009	-	305,889,790	305,889,790	0.00%	33,298,118	918.64%
Total Primary Government							
12/31/2007	12/31/2007	\$ -	\$ 253,048,039	\$ 253,048,039	0.00%	\$ 42,794,998	591.30%
12/31/2008	12/31/2008	-	265,224,667	265,224,667	0.00%	44,286,911	598.88%
12/31/2009	12/31/2009	-	328,478,041	328,478,041	0.00%	38,804,927	846.49%
Component Unit							
Housing Authority							
12/31/2007	12/31/2007	\$ -	\$ 106,587	\$ 106,587	0.00%	\$ 392,308	27.17%
12/31/2008	12/31/2008	-	1,197,890	1,197,890	0.00%	476,669	251.30%
12/31/2009	12/31/2009	250,845	860,286	609,441	29.16%	487,866	124.92%

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SUPPLEMENTAL INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

Debt Service Fund

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

Capital Projects Fund

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

Permanent Fund

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

COUNTY OF RACINE, WISCONSIN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	<u>Special Revenue</u>			<u>Total</u>
	<u>County Road Maintenance</u>	<u>County Handicapped Education</u>	<u>County Bridge Aids</u>	
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes:				
Current year levy	-	755,963	-	755,963
Due from other governments	-	-	-	-
Due from other funds	2,098,030	235,626	204,700	2,538,356
Restricted assets - investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,098,030</u>	<u>\$ 991,589</u>	<u>\$ 204,700</u>	<u>\$ 3,294,319</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 65,481	\$ -	\$ -	\$ 65,481
Deferred revenue:				
Current year property tax levy	<u>-</u>	<u>755,963</u>	<u>-</u>	<u>755,963</u>
Total liabilities	<u>65,481</u>	<u>755,963</u>	<u>-</u>	<u>821,444</u>
FUND BALANCES				
Reserved for:				
Debt retirement	-	-	-	-
Endowments	-	-	-	-
Unreserved, designated for:				
Nonlapsing	1,796,444	-	204,700	2,001,144
Unreserved	<u>236,105</u>	<u>235,626</u>	<u>-</u>	<u>471,731</u>
Total fund balances	<u>2,032,549</u>	<u>235,626</u>	<u>204,700</u>	<u>2,472,875</u>
Total liabilities and fund balances	<u>\$ 2,098,030</u>	<u>\$ 991,589</u>	<u>\$ 204,700</u>	<u>\$ 3,294,319</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 455,069	\$ -	\$ 153,605	\$ 608,674
5,739,176	-	-	6,495,139
-	400,000	-	400,000
227,498	2,058,213	80,000	4,904,067
-	-	249,566	249,566
<u>\$ 6,421,743</u>	<u>\$ 2,458,213</u>	<u>\$ 483,171</u>	<u>\$ 12,657,446</u>
\$ -	\$ 169,328	\$ -	\$ 234,809
5,739,176	-	-	6,495,139
<u>5,739,176</u>	<u>169,328</u>	<u>-</u>	<u>6,729,948</u>
682,567	-	-	682,567
-	-	483,171	483,171
-	2,288,885	-	4,290,029
-	-	-	471,731
<u>682,567</u>	<u>2,288,885</u>	<u>483,171</u>	<u>5,927,498</u>
<u>\$ 6,421,743</u>	<u>\$ 2,458,213</u>	<u>\$ 483,171</u>	<u>\$ 12,657,446</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2009

	<u>Special Revenue</u>			<u>Total</u>
	<u>County Road Maintenance</u>	<u>County Handicapped Education</u>	<u>County Bridge Aids</u>	
REVENUES				
Taxes	\$ -	\$ 992,219	\$ 62,500	\$ 1,054,719
Intergovernmental	2,279,639	-	-	2,279,639
Investment income	-	-	-	-
Miscellaneous	400,055	-	-	400,055
Total revenues	<u>2,679,694</u>	<u>992,219</u>	<u>62,500</u>	<u>3,734,413</u>
EXPENDITURES				
Current:				
Education and recreation	-	720,422	-	720,422
Highways and streets	6,510,751	-	17,083	6,527,834
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>6,510,751</u>	<u>720,422</u>	<u>17,083</u>	<u>7,248,256</u>
Excess (deficiency) of revenues over expenditures	<u>(3,831,057)</u>	<u>271,797</u>	<u>45,417</u>	<u>(3,513,843)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,996,579	-	-	4,996,579
Transfers out	(295,000)	-	-	(295,000)
Proceeds of general obligation debt	-	-	-	-
Premium on debt issued	-	-	-	-
Total other financing sources (uses)	<u>4,701,579</u>	<u>-</u>	<u>-</u>	<u>4,701,579</u>
Net change in fund balances	870,522	271,797	45,417	1,187,736
FUND BALANCES (DEFICIT)				
Beginning of year	<u>1,162,027</u>	<u>(36,171)</u>	<u>159,283</u>	<u>1,285,139</u>
End of year	<u>\$ 2,032,549</u>	<u>\$ 235,626</u>	<u>\$ 204,700</u>	<u>\$ 2,472,875</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 5,120,826	\$ -	\$ -	\$ 6,175,545
-	-	-	2,279,639
3,437	152	6,775	10,364
<u>763,219</u>	<u>-</u>	<u>-</u>	<u>1,163,274</u>
<u>5,887,482</u>	<u>152</u>	<u>6,775</u>	<u>9,628,822</u>
-	-	36,619	757,041
-	-	-	6,527,834
-	1,371,326	-	1,371,326
3,953,246	-	-	3,953,246
<u>1,827,276</u>	<u>64,615</u>	<u>-</u>	<u>1,891,891</u>
<u>5,780,522</u>	<u>1,435,941</u>	<u>36,619</u>	<u>14,501,338</u>
<u>106,960</u>	<u>(1,435,789)</u>	<u>(29,844)</u>	<u>(4,872,516)</u>
332,312	301,000	-	5,629,891
(285,635)	(4,141,468)	-	(4,722,103)
-	4,335,000	-	4,335,000
<u>-</u>	<u>6,720</u>	<u>-</u>	<u>6,720</u>
<u>46,677</u>	<u>501,252</u>	<u>-</u>	<u>5,249,508</u>
153,637	(934,537)	(29,844)	376,992
<u>528,930</u>	<u>3,223,422</u>	<u>513,015</u>	<u>5,550,506</u>
<u>\$ 682,567</u>	<u>\$ 2,288,885</u>	<u>\$ 483,171</u>	<u>\$ 5,927,498</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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 2,269,180	\$ 2,269,180	\$ 2,279,639	\$ 10,459
Miscellaneous	-	-	400,055	400,055
Total revenues	<u>2,269,180</u>	<u>2,269,180</u>	<u>2,679,694</u>	<u>410,514</u>
EXPENDITURES				
Current:				
Highways and streets	<u>7,030,759</u>	<u>6,861,167</u>	<u>6,510,751</u>	<u>350,416</u>
Deficiency of revenues over expenditures	<u>(4,761,579)</u>	<u>(4,591,987)</u>	<u>(3,831,057)</u>	<u>760,930</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,996,579	4,996,579	4,996,579	-
Transfers out	<u>(235,000)</u>	<u>(295,000)</u>	<u>(295,000)</u>	-
Total other financing sources (uses)	<u>4,761,579</u>	<u>4,701,579</u>	<u>4,701,579</u>	-
Net change in fund balances	-	109,592	870,522	760,930
FUND BALANCES				
Beginning of year	<u>1,162,027</u>	<u>1,162,027</u>	<u>1,162,027</u>	-
End of year	<u>\$ 1,162,027</u>	<u>\$ 1,271,619</u>	<u>\$ 2,032,549</u>	<u>\$ 760,930</u>

COUNTY OF RACINE, WISCONSIN
COUNTY HANDICAPPED EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL
Year Ended December 31, 2009

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 992,219	\$ 992,219	\$ 992,219	\$ -
EXPENDITURES				
Current - education and recreation	<u>992,219</u>	<u>992,219</u>	<u>720,422</u>	<u>271,797</u>
Net change in fund balances	-	-	271,797	(271,797)
FUND BALANCES (DEFICIT)				
Beginning of year	<u>(36,171)</u>	<u>(36,171)</u>	<u>(36,171)</u>	-
End of year	<u>\$ (36,171)</u>	<u>\$ (36,171)</u>	<u>\$ 235,626</u>	<u>\$ (271,797)</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 62,500	\$ 117,988	\$ 62,500	\$ (55,488)
EXPENDITURES				
Current - highways and streets	<u>62,500</u>	<u>89,430</u>	<u>17,083</u>	<u>72,347</u>
Excess of revenues over expenditures	-	28,558	45,417	16,859
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(28,558)</u>	<u>-</u>	<u>(28,558)</u>
Net change in fund balances	-	-	45,417	(11,699)
FUND BALANCES				
Beginning of year	<u>159,283</u>	<u>159,283</u>	<u>159,283</u>	<u>-</u>
End of year	<u>\$ 159,283</u>	<u>\$ 159,283</u>	<u>\$ 204,700</u>	<u>\$ (11,699)</u>

COUNTY OF RACINE, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
REVENUES				
Taxes	\$ 5,120,826	\$ 5,120,826	\$ 5,120,826	\$ -
Investment income	-	-	3,437	3,437
Miscellaneous	745,331	745,331	763,219	17,888
Total revenues	<u>5,866,157</u>	<u>5,866,157</u>	<u>5,887,482</u>	<u>21,325</u>
EXPENDITURES				
Debt service:				
Principal retirement	3,953,246	3,953,246	3,953,246	-
Interest and fiscal charges	1,827,276	1,827,276	1,827,276	-
Total expenditures	<u>5,780,522</u>	<u>5,780,522</u>	<u>5,780,522</u>	<u>-</u>
Excess of revenues over expenditures	<u>85,635</u>	<u>85,635</u>	<u>106,960</u>	<u>21,325</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	332,312	332,312
Transfers out	<u>(285,635)</u>	<u>(285,635)</u>	<u>(285,635)</u>	<u>-</u>
Net change in fund balances	<u>(200,000)</u>	<u>(200,000)</u>	<u>153,637</u>	<u>353,637</u>
FUND BALANCES				
Beginning of year	<u>528,930</u>	<u>528,930</u>	<u>528,930</u>	<u>-</u>
End of year	<u>\$ 328,930</u>	<u>\$ 328,930</u>	<u>\$ 682,567</u>	<u>\$ 353,637</u>

COUNTY OF RACINE, WISCONSIN
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		(Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 152	\$ 152
EXPENDITURES				
Capital outlay	1,170,027	1,134,837	1,371,326	(236,489)
Debt service:				
Interest and fiscal charges	-	36,220	64,615	(28,395)
	<u>1,170,027</u>	<u>1,171,057</u>	<u>1,435,941</u>	<u>(264,884)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,170,027)</u>	<u>(1,171,057)</u>	<u>(1,435,789)</u>	<u>(264,732)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	301,000	301,000	301,000	-
Transfers out	(3,771,861)	(3,809,156)	(4,141,468)	(332,312)
Premium on debt issued	-	-	6,720	6,720
Proceeds of general obligation debt	<u>1,039,477</u>	<u>4,313,325</u>	<u>4,335,000</u>	<u>21,675</u>
Total other financing sources (uses)	<u>(2,431,384)</u>	<u>805,169</u>	<u>501,252</u>	<u>(303,917)</u>
Net change in fund balances	(3,601,411)	(365,888)	(934,537)	(568,649)
FUND BALANCES				
Beginning of year	<u>3,223,422</u>	<u>3,223,422</u>	<u>3,223,422</u>	<u>-</u>
End of year	<u>\$ (377,989)</u>	<u>\$ 2,857,534</u>	<u>\$ 2,288,885</u>	<u>\$ (568,649)</u>

INTERNAL SERVICE FUNDS

Internal service funds account for fringe benefits, highway operations and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The County has the following internal service funds:

- Billable
- Fringe Benefits
- Fleet

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COUNTY OF RACINE, WISCONSIN
COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS
December 31, 2009

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Total</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 700
Receivables:				
Other	20,647	-	-	20,647
Due from other governments	755,884	-	134,109	889,993
Due from other funds	-	319,265	3,878,493	4,197,758
Inventories	441,020	-	312,837	753,857
Prepaid items	120	-	-	120
Total current assets	<u>1,218,371</u>	<u>319,265</u>	<u>4,325,439</u>	<u>5,863,075</u>
Noncurrent assets				
Capital assets not being depreciated:				
Construction in progress	-	-	8,140	8,140
Capital assets being depreciated:				
Buildings	-	-	3,701,545	3,701,545
Improvements other than buildings	-	-	1,809,711	1,809,711
Machinery and equipment	204,623	-	9,481,267	9,685,890
Less: accumulated depreciation	(162,997)	-	(9,083,037)	(9,246,034)
Total noncurrent assets	<u>41,626</u>	<u>-</u>	<u>5,917,626</u>	<u>5,959,252</u>
Total assets	<u>1,259,997</u>	<u>319,265</u>	<u>10,243,065</u>	<u>11,822,327</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current liabilities				
Accounts payable	127,527	-	340,575	468,102
Accrued liabilities	384,632	434,250	9,718	828,600
Due to other funds	703,160	-	-	703,160
Unearned revenue	3,052	-	-	3,052
Current maturities on bonds payable	-	-	35,831	35,831
Total current liabilities	<u>1,218,371</u>	<u>434,250</u>	<u>386,124</u>	<u>2,038,745</u>
Noncurrent liabilities				
Long term maturities on bonds payable	-	-	201,086	201,086
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>201,086</u>	<u>201,086</u>
Total liabilities	<u>1,218,371</u>	<u>434,250</u>	<u>587,210</u>	<u>2,239,831</u>
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	41,626	-	5,908,604	5,950,230
Unrestricted (deficit)	-	(114,985)	3,747,251	3,632,266
Total net assets (deficit)	<u>\$ 41,626</u>	<u>\$ (114,985)</u>	<u>\$ 9,655,855</u>	<u>\$ 9,582,496</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS (DEFICIT) - INTERNAL SERVICE FUNDS
Year Ended December 31, 2009

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUES				(1) (1,304,695)	
Highway charges and fees	\$ 7,908,012	\$ 2,273,722	\$ 2,237,012	(2) (1,087,883)	\$ 10,026,168
Other	1,788	-	21,811	-	23,599
Total operating revenues	<u>7,909,800</u>	<u>2,273,722</u>	<u>2,258,823</u>	<u>(2,392,578)</u>	<u>10,049,767</u>
OPERATING EXPENSES					
Current				(1) (1,304,695)	
Highway maintenance	7,908,533	2,537,558	1,495,138	(2) (1,087,883)	9,548,651
Depreciation	4,323	-	535,330	-	539,653
Total operating expenses	<u>7,912,856</u>	<u>2,537,558</u>	<u>2,030,468</u>	<u>(2,392,578)</u>	<u>10,088,304</u>
Operating income (loss)	<u>(3,056)</u>	<u>(263,836)</u>	<u>228,355</u>	<u>-</u>	<u>(38,537)</u>
NONOPERATING EXPENSE					
Interest expense	-	-	(8,607)	-	(8,607)
Loss on disposal of capital assets	-	-	(39,985)	-	(39,985)
Total non-operating expense	<u>-</u>	<u>-</u>	<u>(48,592)</u>	<u>-</u>	<u>(48,592)</u>
Income (loss) before transfers	<u>(3,056)</u>	<u>(263,836)</u>	<u>179,763</u>	<u>-</u>	<u>10,055</u>
TRANSFERS					
Transfers in	-	235,000	918,384	-	1,153,384
Transfers out	-	-	(814,596)	-	(814,596)
Total net transfers	<u>-</u>	<u>235,000</u>	<u>103,788</u>	<u>-</u>	<u>338,788</u>
Change in net assets	<u>(3,056)</u>	<u>(28,836)</u>	<u>283,551</u>	<u>-</u>	<u>251,659</u>
NET ASSETS (DEFICIT)					
Beginning of year	<u>44,682</u>	<u>(86,149)</u>	<u>9,372,304</u>	<u>-</u>	<u>9,330,837</u>
End of year	<u>\$ 41,626</u>	<u>\$ (114,985)</u>	<u>\$ 9,655,855</u>	<u>\$ -</u>	<u>\$ 9,582,496</u>

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

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

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2009

	Billable	Fringe Benefits	Fleet	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers and users	\$ 4,204,182	\$ 969,027	\$ 1,036,831	\$ 6,210,040
Received for interfund services provided	4,285,747	1,500,874	1,251,242	7,037,863
Paid for interfund services provided	(3,089,810)	-	-	(3,089,810)
Paid to suppliers	(1,336,316)	-	(370,643)	(1,706,959)
Paid to employees	(4,062,536)	(2,704,901)	(878,945)	(7,646,382)
Net cash provided by (used in) operating activities	1,267	(235,000)	1,038,485	804,752
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	235,000	918,384	1,153,384
Transfers out	-	-	(814,596)	(814,596)
Net cash provided by noncapital financing activities	-	235,000	103,788	338,788
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(1,267)	-	(1,097,834)	(1,099,101)
Principal paid on capital debt	-	-	(35,832)	(35,832)
Interest paid on capital debt	-	-	(8,607)	(8,607)
Net cash used in capital and related financing activities	(1,267)	-	(1,142,273)	(1,143,540)
Net increase in cash and cash equivalents	-	-	-	-
CASH AND CASH EQUIVALENTS				
Beginning of year	700	-	-	700
End of year	\$ 700	\$ -	\$ -	\$ 700
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (3,056)	\$ (263,836)	\$ 228,355	\$ (38,537)
Adjustments to reconcile to net cash provided by (used in) operating activities:				
Depreciation	4,323	-	535,330	539,653
Changes in assets and liabilities:				
Receivables	577,079	-	(134,109)	442,970
Due from other funds	-	196,179	211,385	407,564
Inventories	(188,769)	-	(48,026)	(236,795)
Prepaid items	1,059	-	-	1,059
Due to other funds	(697,232)	-	-	(697,232)
Accounts payable	62,422	-	244,413	306,835
Unearned revenue	3,052	-	-	3,052
Other liabilities	242,389	(167,343)	1,137	76,183
Net cash provided by (used in) operating activities	\$ 1,267	\$ (235,000)	\$ 1,038,485	\$ 804,752

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AGENCY FUNDS

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

- Court
- Unclaimed Funds
- Other
- Taxes

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COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
December 31, 2009

	Agency Funds				Total Agency Funds
	Court	Unclaimed Funds	Other	Taxes	
ASSETS					
Cash and cash equivalents	\$ 2,490,141	\$ -	\$ 111,135	\$ -	\$ 2,601,276
Receivables:					
Delinquent property taxes	-	-	-	210,868	210,868
Other	35	264,408	4,952	(3,093)	266,302
	\$ 2,490,176	\$ 264,408	\$ 116,087	\$ 207,775	\$ 3,078,446
Total assets	\$ 2,490,176	\$ 264,408	\$ 116,087	\$ 207,775	\$ 3,078,446
LIABILITIES					
Accounts payable	\$ 35	\$ -	\$ 935	\$ -	\$ 970
Agency deposits	2,490,141	264,408	115,152	207,775	3,077,476
	\$ 2,490,176	\$ 264,408	\$ 116,087	\$ 207,775	\$ 3,078,446
Total liabilities	\$ 2,490,176	\$ 264,408	\$ 116,087	\$ 207,775	\$ 3,078,446

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
Year Ended December 31, 2009

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
<u>COURT</u>				
ASSETS				
Cash and cash equivalents	\$ 2,964,686	\$ 1,281,238	\$ 1,755,783	\$ 2,490,141
Receivables - other	21	14	-	35
Total assets	<u>\$ 2,964,707</u>	<u>\$ 1,281,252</u>	<u>\$ 1,755,783</u>	<u>\$ 2,490,176</u>
LIABILITIES				
Accounts payable	\$ 21	\$ 14	-	\$ 35
Agency deposits	<u>2,964,686</u>	<u>1,281,238</u>	<u>1,755,783</u>	<u>2,490,141</u>
Total liabilities	<u>\$ 2,964,707</u>	<u>\$ 1,281,252</u>	<u>\$ 1,755,783</u>	<u>\$ 2,490,176</u>
<u>UNCLAIMED FUNDS</u>				
ASSETS				
Receivables - other	\$ 255,018	\$ 138,126	\$ 128,736	\$ 264,408
Total assets	<u>\$ 255,018</u>	<u>\$ 138,126</u>	<u>\$ 128,736</u>	<u>\$ 264,408</u>
LIABILITIES				
Agency deposits	\$ 255,018	\$ 138,126	\$ 128,736	\$ 264,408
Total liabilities	<u>\$ 255,018</u>	<u>\$ 138,126</u>	<u>\$ 128,736</u>	<u>\$ 264,408</u>
<u>OTHER</u>				
ASSETS				
Cash and cash equivalents	\$ 94,400	\$ 245,980	\$ 229,245	\$ 111,135
Receivables - other	<u>38,690</u>	<u>763,277</u>	<u>797,015</u>	<u>4,952</u>
Total assets	<u>\$ 133,090</u>	<u>\$ 1,009,257</u>	<u>\$ 1,026,260</u>	<u>\$ 116,087</u>
LIABILITIES				
Accounts payable	\$ 9,318	\$ 534,769	\$ 543,152	\$ 935
Agency deposits	<u>123,772</u>	<u>778,705</u>	<u>787,325</u>	<u>115,152</u>
Total liabilities	<u>\$ 133,090</u>	<u>\$ 1,313,474</u>	<u>\$ 1,330,477</u>	<u>\$ 116,087</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
Year Ended December 31, 2009

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
<u>TAXES</u>				
ASSETS				
Receivables				
Delinquent property taxes	\$ 91,740	\$ 159,032	\$ 39,904	\$ 210,868
Other	27,999	1,409	32,501	(3,093)
Total assets	<u>\$ 119,739</u>	<u>\$ 160,441</u>	<u>\$ 72,405</u>	<u>\$ 207,775</u>
LIABILITIES				
Accounts payable	\$ 8,281	\$ 24,081	\$ 32,362	\$ -
Agency deposits	111,458	122,515	26,198	207,775
Total liabilities	<u>\$ 119,739</u>	<u>\$ 146,596</u>	<u>\$ 58,560</u>	<u>\$ 207,775</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 3,059,086	\$ 1,527,218	\$ 1,985,028	\$ 2,601,276
Receivables				
Delinquent property taxes	91,740	159,032	39,904	210,868
Other	321,728	-	-	266,302
Total assets	<u>\$ 3,472,554</u>	<u>\$ 1,686,250</u>	<u>\$ 2,024,932</u>	<u>\$ 3,078,446</u>
LIABILITIES				
Accounts payable	\$ 17,620	\$ 558,864	\$ 575,514	\$ 970
Agency deposits	3,454,934	-	-	3,077,476
Total liabilities	<u>\$ 3,472,554</u>	<u>\$ 558,864</u>	<u>\$ 575,514</u>	<u>\$ 3,078,446</u>

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

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COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 21,433,809	\$ 21,186,053
Buildings	61,144,024	61,072,323
Improvements other than buildings	7,102,224	6,976,968
Machinery and equipment	14,156,108	13,170,579
Infrastructure	31,062,214	27,545,108
Construction in progress	<u>1,869,718</u>	<u>694,461</u>
Total governmental funds capital assets	<u>\$ 136,768,097</u>	<u>\$ 130,645,492</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Fund	\$ 104,928,657	\$ 103,100,384
Special Revenue Fund	<u>31,839,440</u>	<u>27,545,108</u>
Total governmental funds capital assets	<u>\$ 136,768,097</u>	<u>\$ 130,645,492</u>

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

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COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
Year Ended December 31, 2009

<u>FUNCTION AND ACTIVITY</u>	<u>Governmental Funds Capital Assets January 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets December 31, 2009</u>
General government	\$ 7,372,099	\$ 981,562	\$ -	\$ 8,353,661
Public Safety	49,518,148	979,941	146,743	50,351,346
Health and social service	17,809,592	115,348	-	17,924,940
Education and recreation	27,463,850	569,612	-	28,033,462
Highway and streets	28,216,553	3,622,885	-	31,839,438
Development	265,250	-	-	265,250
Total governmental funds capital assets	<u>\$ 130,645,492</u>	<u>\$ 6,269,348</u>	<u>\$ 146,743</u>	<u>\$ 136,768,097</u>

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

COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
Year Ended December 31, 2009

<u>FUNCTION AND ACTIVITY</u>	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>
General government	\$ 239,770	\$ 18,574	\$ 4,819,738
Public safety	1,532,928	410,241	37,532,009
Health and social services	370,104	-	16,755,551
Education and recreation	18,890,365	6,673,409	2,036,726
Highways and streets	201,992	-	-
Development	198,650	-	-
	<u>\$ 21,433,809</u>	<u>\$ 7,102,224</u>	<u>\$ 61,144,024</u>

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

<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Total</u>
\$ 2,433,402	\$ -	\$ 842,177	\$ 8,353,661
10,876,168	-	-	50,351,346
779,938	-	19,347	17,924,940
-	-	432,962	28,033,462
-	31,062,214	575,232	31,839,438
66,600	-	-	265,250
<u>\$ 14,156,108</u>	<u>\$ 31,062,214</u>	<u>\$ 1,869,718</u>	<u>\$ 136,768,097</u>

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STATISTICAL SECTION

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Statistical Section
(Unaudited)

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

FINANCIAL TRENDS – TABLES 1 - 4

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

REVENUE CAPACITY – TABLES 5 - 8

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

DEBT CAPACITY – TABLES 9 - 11

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

DEMOGRAPHIC AND ECONOMIC INFORMATION – TABLES 12 - 13

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

OPERATING INFORMATION – TABLES 14 - 16

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The County implemented GASB 34 in 2002; schedules presenting government-wide information include information beginning in that year.

COUNTY OF RACINE, WISCONSIN
TABLE 1
NET ASSETS BY COMPONENT,
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2002</u>	<u>2003</u>
GOVERNMENTAL ACTIVITIES		
Invested In capital assets, net of related debt *	\$ 45,107,516	\$ 54,939,630
Restricted **	20,976,035	7,335,731
Unrestricted	<u>21,092,880</u>	<u>19,610,269</u>
 Total Governmental Activities Net Assets	 <u>\$ 87,176,431</u>	 <u>\$ 81,885,630</u>
BUSINESS-TYPE ACTIVITES		
Invested in capital assets, net of related debt	\$ 4,717,374	\$ 4,987,621
Restricted	-	162,901
Unrestricted (deficit)	<u>423,744</u>	<u>(267,655)</u>
 Total Business-type Activities Net Assets	 <u>\$ 5,141,118</u>	 <u>\$ 4,882,867</u>
PRIMARY GOVERNMENT		
Invested in capital assets, net of related debt	\$ 49,824,890	\$ 59,927,251
Restricted	20,976,035	7,498,632
Unrestricted	<u>21,516,624</u>	<u>19,342,614</u>
 Total Primary Government Net Assets	 <u>\$ 92,317,549</u>	 <u>\$ 86,768,497</u>

Note:

* 2002

Effective January 1, 2002, 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, 2002. 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.

* 2005

The net assets at the beginning of the year in the Government-wide statements was increased by \$993,886, as a result of the restatement of capital assets net of accumulated depreciation.

** Delinquent Property Tax and Other Purposes were included in the year 2002 under Governmental Activities - Restricted; however, not included in the subsequent years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	59,338,370	\$ 60,278,910	\$ 65,978,699	\$ 64,472,210	\$ 62,153,295	\$ 64,602,042
	7,688,037	1,140,931	637,251	847,185	674,038	789,986
	<u>16,402,119</u>	<u>27,970,518</u>	<u>30,604,900</u>	<u>18,778,037</u>	<u>13,729,575</u>	<u>1,307,970</u>
\$	<u>83,428,526</u>	<u>\$ 89,390,359</u>	<u>\$ 97,220,850</u>	<u>\$ 84,097,432</u>	<u>\$ 76,556,908</u>	<u>\$ 66,699,998</u>
\$	4,836,087	\$ 3,033,759	\$ 4,438,689	\$ 4,907,956	\$ 4,889,408	\$ 5,160,995
	34,992	-	-	-	-	-
	<u>(729,479)</u>	<u>1,069,279</u>	<u>(335,682)</u>	<u>(253,174)</u>	<u>165,869</u>	<u>(150,409)</u>
\$	<u>4,141,600</u>	<u>\$ 4,103,038</u>	<u>\$ 4,103,007</u>	<u>\$ 4,654,782</u>	<u>\$ 5,055,277</u>	<u>\$ 5,010,586</u>
\$	64,174,457	\$ 63,312,669	\$ 70,417,388	\$ 69,380,166	\$ 67,042,703	\$ 69,763,037
	7,723,029	1,140,931	637,251	847,185	674,038	789,986
	<u>15,672,640</u>	<u>29,039,797</u>	<u>30,269,218</u>	<u>18,524,863</u>	<u>13,895,444</u>	<u>1,157,561</u>
\$	<u>87,570,126</u>	<u>\$ 93,493,397</u>	<u>\$ 101,323,857</u>	<u>\$ 88,752,214</u>	<u>\$ 81,612,185</u>	<u>\$ 71,710,584</u>

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

	<u>2002</u>	<u>2003</u>
EXPENSES		
Governmental activities:		
General government	\$ 18,619,744	\$ 19,377,945
Public safety	23,509,350	24,940,588
Health and social services	60,373,068	62,753,342
Development	1,764,821	5,744,849
Education and recreation	12,820,948	16,536,668
Highways and streets	10,996,282	9,618,932
Interest and fiscal charges	584,184	1,079,648
Total governmental activities expenses	<u>128,668,397</u>	<u>140,051,972</u>
Business-type activities:		
Healthcare Center	14,347,467	13,669,211
Golf Courses	178,084	181,354
Total Business-type activities expenses	<u>14,525,551</u>	<u>13,850,565</u>
Total Primary Government expenses	<u>\$ 143,193,948</u>	<u>\$ 153,902,537</u>
PROGRAM REVENUES		
Governmental activities:		
Charges for services	\$ 13,858,414	\$ 13,384,617
Operating grants and contributions	61,765,253	65,745,697
Capital grants and contributions	2,154,993	1,404,617
Total governmental activities program revenues	<u>77,778,660</u>	<u>80,534,931</u>
Business-type activities:		
Charges for services		
Healthcare Center	11,537,523	10,324,352
Golf Courses	365,147	371,084
Total business-type activities program revenues	<u>11,902,670</u>	<u>10,695,436</u>
Total primary government program revenues	<u>\$ 89,681,330</u>	<u>\$ 91,230,367</u>
NET (EXPENSE) REVENUE		
Governmental activities	\$ (50,889,737)	\$ (59,517,041)
Business-type activities	(2,622,881)	(3,155,129)
Total primary government net expense	<u>\$ (53,512,618)</u>	<u>\$ (62,672,170)</u>
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS		
Governmental activities:		
Property taxes	\$ 44,186,200	\$ 47,067,618
Grants and contributions not restricted to specific programs	7,822,097	7,191,801
Unrestricted investment earnings	2,731,666	2,721,875
Gain (loss) on sale of capital assets	(92,453)	(69,600)
Other	-	1,266,421
Transfers	(2,709,943)	(2,911,222)
Total governmental activities	<u>51,937,567</u>	<u>55,266,893</u>
Business-type activities:		
Unrestricted investment earnings	7,802	627
Gain (loss) on sale of capital assets	-	(14,971)
Transfers	2,709,943	2,911,222
Total business-type activities	<u>2,717,745</u>	<u>2,896,878</u>
Total primary government	<u>\$ 54,655,312</u>	<u>\$ 58,163,771</u>
CHANGE IN NET ASSETS		
Governmental activities	\$ 1,047,830	\$ (4,250,148)
Business-type activities	94,864	(258,251)
Total primary government	<u>\$ 1,142,694</u>	<u>\$ (4,508,399)</u>

2004	2005	2006	2007	2008	2009
\$ 17,421,627	\$ 15,211,124	\$ 12,835,356	\$ 20,202,595	\$ 19,272,110	\$ 23,739,108
26,717,076	27,309,261	28,360,700	32,274,541	35,168,361	34,024,144
57,758,929	57,866,026	58,034,621	52,824,076	48,302,880	52,062,294
1,650,806	1,465,373	1,797,075	1,829,023	1,920,204	2,634,043
17,492,932	18,384,238	17,167,001	10,556,142	5,488,627	5,609,494
8,245,410	8,581,834	4,185,199	8,446,110	6,130,001	5,482,591
1,210,321	1,156,617	1,728,911	1,932,145	1,948,449	1,869,319
<u>130,497,101</u>	<u>129,974,473</u>	<u>124,108,863</u>	<u>128,064,632</u>	<u>118,230,632</u>	<u>125,420,993</u>
14,429,319	15,267,970	15,548,773	15,216,728	15,914,514	15,894,918
175,707	203,698	223,706	204,218	208,672	206,099
<u>14,605,026</u>	<u>15,471,668</u>	<u>15,772,479</u>	<u>15,420,946</u>	<u>16,123,186</u>	<u>16,101,017</u>
<u>\$ 145,102,127</u>	<u>\$ 145,446,141</u>	<u>\$ 139,881,342</u>	<u>\$ 143,485,578</u>	<u>\$ 134,353,818</u>	<u>\$ 141,522,010</u>
\$ 11,460,688	\$ 15,980,777	\$ 11,764,486	\$ 11,743,749	\$ 10,720,178	\$ 10,654,439
60,942,625	58,782,167	58,715,473	44,542,997	40,255,813	44,027,768
<u>2,962,688</u>	<u>1,213,004</u>	<u>239,882</u>	<u>566,080</u>	<u>544,396</u>	<u>105,723</u>
<u>75,366,001</u>	<u>75,975,948</u>	<u>70,719,841</u>	<u>56,852,826</u>	<u>51,520,387</u>	<u>54,787,930</u>
11,250,771	11,524,630	13,584,355	14,310,480	16,003,467	16,344,857
376,340	405,133	432,681	445,247	402,179	408,822
<u>11,627,111</u>	<u>11,929,763</u>	<u>14,017,036</u>	<u>14,755,727</u>	<u>16,405,646</u>	<u>16,753,679</u>
<u>\$ 86,993,112</u>	<u>\$ 87,905,711</u>	<u>\$ 84,736,877</u>	<u>\$ 71,608,553</u>	<u>\$ 67,926,033</u>	<u>\$ 71,541,609</u>
\$ (55,131,100)	\$ (53,998,525)	\$ (53,389,022)	\$ (71,211,806)	\$ (66,710,245)	\$ (70,633,063)
<u>(2,977,915)</u>	<u>(3,541,905)</u>	<u>(1,755,443)</u>	<u>(665,219)</u>	<u>282,460</u>	<u>652,662</u>
<u>\$ (58,109,015)</u>	<u>\$ (57,540,430)</u>	<u>\$ (55,144,465)</u>	<u>\$ (71,877,025)</u>	<u>\$ (66,427,785)</u>	<u>\$ (69,980,401)</u>
\$ 48,700,601	\$ 50,513,512	\$ 52,160,158	\$ 48,167,630	\$ 50,239,596	\$ 51,397,357
6,737,064	6,419,736	4,557,451	4,067,151	3,955,614	4,050,922
2,339,170	3,436,787	5,465,557	5,716,429	4,020,086	3,288,586
(255,622)	1,145,335	-	365,033	-	-
1,386,259	954,445	791,759	989,139	1,072,460	1,341,935
<u>(2,233,476)</u>	<u>(3,503,343)</u>	<u>(1,755,412)</u>	<u>(1,216,994)</u>	<u>(118,035)</u>	<u>697,353</u>
<u>56,673,996</u>	<u>58,966,472</u>	<u>61,219,513</u>	<u>58,088,388</u>	<u>59,169,721</u>	<u>60,776,153</u>
-	-	-	-	-	-
3,172	-	-	-	-	-
<u>2,233,476</u>	<u>3,503,343</u>	<u>1,755,412</u>	<u>1,216,994</u>	<u>118,035</u>	<u>(697,353)</u>
<u>2,236,648</u>	<u>3,503,343</u>	<u>1,755,412</u>	<u>1,216,994</u>	<u>118,035</u>	<u>(697,353)</u>
<u>\$ 58,910,644</u>	<u>\$ 62,469,815</u>	<u>\$ 62,974,925</u>	<u>\$ 59,305,382</u>	<u>\$ 59,287,756</u>	<u>\$ 60,078,800</u>
\$ 1,542,896	\$ 4,967,947	\$ 7,830,491	\$ (13,123,418)	\$ (7,540,524)	\$ (9,856,910)
<u>(741,267)</u>	<u>(38,562)</u>	<u>(31)</u>	<u>551,775</u>	<u>400,495</u>	<u>(44,691)</u>
<u>\$ 801,629</u>	<u>\$ 4,929,385</u>	<u>\$ 7,830,460</u>	<u>\$ (12,571,643)</u>	<u>\$ (7,140,029)</u>	<u>\$ (9,901,601)</u>

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Reserved	\$ 14,043,739	\$ 12,583,856	\$ 14,928,856	\$ 11,467,259
Unreserved	15,700,375	17,993,865	15,007,673	13,126,236
Total General Fund	<u>29,744,114</u>	<u>30,577,721</u>	<u>29,936,529</u>	<u>24,593,495</u>
Other governmental funds:				
Reserved	6,451,578	6,154,003	7,836,436	4,114,592
Unreserved - reported in:				
Special Revenue Funds	4,834,240	4,824,515	5,428,756	7,811,743
Capital Projects Fund	-	-	-	1,468,304
Debt Service Fund	-	-	-	153,133
Total all other governmental funds	<u>11,285,818</u>	<u>10,978,518</u>	<u>13,265,192</u>	<u>13,547,772</u>
TOTAL FUND BALANCES	<u>\$ 41,029,932</u>	<u>\$ 41,556,239</u>	<u>\$ 43,201,721</u>	<u>\$ 38,141,267</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 9,574,760	\$ 9,045,064	\$ 8,875,786	\$ 10,128,884	\$ 10,416,277	\$ 11,952,172
<u>14,425,742</u>	<u>19,590,968</u>	<u>25,974,133</u>	<u>28,928,155</u>	<u>32,126,060</u>	<u>33,518,452</u>
<u>24,000,502</u>	<u>28,636,032</u>	<u>34,849,919</u>	<u>39,057,039</u>	<u>42,542,337</u>	<u>45,470,624</u>
5,592,069	5,178,685	18,263,175	6,541,413	1,441,945	1,168,148
6,792,802	6,522,308	6,936,368	1,681,422	1,392,535	3,502,467
-	-	(393,605)	(217,852)	2,823,422	2,288,885
-	-	-	-	-	-
<u>12,384,871</u>	<u>11,700,993</u>	<u>24,805,938</u>	<u>8,004,983</u>	<u>5,657,902</u>	<u>6,959,500</u>
<u>\$ 36,385,373</u>	<u>\$ 40,337,025</u>	<u>\$ 59,655,857</u>	<u>\$ 47,062,022</u>	<u>\$ 48,200,239</u>	<u>\$ 52,430,124</u>

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
REVENUES				
Property taxes	\$ 38,650,548	\$ 41,219,952	\$ 43,949,387	\$ 47,087,985
Intergovernmental	63,065,277	66,236,045	70,894,521	74,269,191
Fines and fees	4,483,486	5,105,199	9,426,097	6,334,437
Interest income	4,541,774	4,589,435	2,731,666	2,721,875
Miscellaneous	2,382,992	2,012,026	2,599,921	3,472,813
Total revenues	<u>113,124,077</u>	<u>119,162,657</u>	<u>129,601,592</u>	<u>133,886,301</u>
EXPENDITURES				
Current:				
General government	16,185,721	16,645,520	17,516,626	19,462,898
Public safety	20,011,185	22,433,726	23,053,710	23,858,590
Health and social services	52,759,683	57,583,989	60,050,963	62,388,001
Education and recreation	10,539,232	11,491,831	14,788,282	16,267,099
Development	1,477,666	1,625,325	1,768,172	5,719,504
Highways and streets	-	-	9,213,539	5,452,607
Capital outlay	1,187,722	2,008,368	5,985,289	5,293,050
Bond issue costs	-	-	-	70,636
Debt service principal	2,485,150	2,466,942	2,371,851	2,448,191
Debt service interest and fiscal charges	531,737	487,635	365,315	1,205,322
Total Expenditures	<u>105,178,096</u>	<u>114,743,336</u>	<u>135,113,747</u>	<u>142,165,898</u>
Excess (deficiency) of revenues over expenditures	<u>7,945,981</u>	<u>4,419,321</u>	<u>(5,512,155)</u>	<u>(8,279,597)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			4,640,322	6,341,722
Transfers out	(5,691,654)	(5,615,644)	(7,350,265)	(8,294,153)
Refunding bonds issued	-	-	6,070,392	10,325,141
Unfunded pension liability payment	-	-	-	(10,338,148)
Bond anticipation notes issued	-	-	-	10,365,023
Debt issued	-	3,755,000	8,471,663	5,159,558
Premium on debt issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	(6,000,000)	(10,340,000)
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(5,691,654)</u>	<u>(1,860,644)</u>	<u>5,832,112</u>	<u>3,219,143</u>
Net change in fund balances	<u>\$ 2,254,327</u>	<u>\$ 2,558,677</u>	<u>\$ 319,957</u>	<u>\$ (5,060,454)</u>
Debt Service as a percent of noncapital expenditures				
Total expenditures	105,178,096	114,743,336	135,113,747	142,165,898
Capital outlay *	1,544,486	1,364,111	9,397,255	6,444,785
Total expenditures less capital outlay	103,633,610	113,379,225	125,716,492	135,721,113
Total debt service interest and principal	3,016,887	2,954,577	2,737,166	3,653,513
Debt Service as a percent of noncapital expenditures	2.91%	2.61%	2.18%	2.69%

2004	2005	2006	2007	2008	2009
\$ 48,689,938	\$ 50,521,783	\$ 52,388,683	\$ 47,814,884	\$ 49,372,687	\$ 50,512,920
70,642,376	66,414,907	63,465,636	48,868,770	44,752,263	48,168,013
6,451,470	8,295,863	8,010,299	8,425,546	7,496,111	7,086,991
2,339,170	3,436,787	5,465,557	5,716,429	4,020,086	3,288,586
3,414,290	4,993,836	4,582,207	4,598,005	4,248,842	4,902,184
<u>131,537,244</u>	<u>133,663,176</u>	<u>133,912,382</u>	<u>115,423,634</u>	<u>109,889,989</u>	<u>113,958,694</u>
17,088,802	14,137,998	12,843,110	16,594,996	16,727,647	19,873,265
25,354,520	25,337,146	26,243,408	26,661,328	26,898,723	26,553,273
57,329,215	57,539,864	57,602,914	49,332,379	45,457,526	47,089,952
17,522,534	18,294,569	17,242,794	10,104,371	5,325,158	4,853,010
1,647,223	1,446,227	1,614,327	1,792,841	1,924,273	1,715,127
8,608,249	6,404,777	5,059,296	6,186,109	6,882,353	6,527,834
1,940,820	2,251,832	8,274,477	13,395,339	3,485,171	1,971,496
23,290	45,275	-	27,348	22,590	-
2,791,021	2,425,562	2,736,264	3,186,996	3,500,870	3,953,246
1,309,749	1,144,958	1,690,231	1,923,326	1,899,654	1,891,891
<u>133,615,423</u>	<u>129,028,208</u>	<u>133,306,821</u>	<u>129,205,033</u>	<u>112,123,965</u>	<u>114,429,094</u>
<u>(2,078,179)</u>	<u>4,634,968</u>	<u>605,561</u>	<u>(13,781,399)</u>	<u>(2,233,976)</u>	<u>(470,400)</u>
6,013,500	14,828,422	6,143,681	6,051,557	15,510,168	19,960,104
(7,306,437)	(18,514,437)	(8,621,002)	(7,396,603)	(15,970,514)	(19,601,539)
-	2,570,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,121,471	1,700,000	21,035,000	2,155,000	3,795,000	4,335,000
-	30,885	152,954	12,578	37,539	6,720
-	(2,707,037)	-	-	-	-
493,750	1,408,850	2,638	365,033	-	-
<u>322,284</u>	<u>(683,317)</u>	<u>18,713,271</u>	<u>1,187,565</u>	<u>3,372,193</u>	<u>4,700,285</u>
<u>\$ (1,755,895)</u>	<u>\$ 3,951,651</u>	<u>\$ 19,318,832</u>	<u>\$ (12,593,834)</u>	<u>\$ 1,138,217</u>	<u>\$ 4,229,885</u>
133,615,423	129,028,208	133,306,821	129,205,033	112,123,965	114,429,094
6,253,263	3,635,014	10,712,091	14,065,117	3,485,171	1,971,496
127,362,160	125,393,194	122,594,730	115,139,916	108,638,794	112,457,598
4,100,770	3,570,520	4,426,495	5,110,322	5,400,524	5,845,137
3.22%	2.85%	3.61%	4.44%	4.97%	5.20%

COUNTY OF RACINE, WISCONSIN
TABLE 5
EQUALIZED ASSESSED VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS

TAX YEAR ENDED	Real Estate				Personal Property
	Residential	Commercial	Manufacturing	Other	
2000	6,292,199,700	1,323,032,500	386,363,100	330,239,800	270,903,300
2001	6,693,002,600	1,364,494,900	415,799,100	254,979,500	292,661,000
2002	7,116,305,900	1,436,185,600	425,826,700	254,484,200	284,686,500
2003	7,660,598,000	1,566,293,600	421,083,300	245,686,400	276,820,100
2004	8,317,871,000	1,695,346,900	424,718,000	247,413,100	280,431,800
2005	9,313,273,900	1,841,675,400	413,211,300	247,466,300	265,855,100
2006	10,342,347,400	2,013,188,200	401,915,000	261,339,200	279,288,400
2007	11,576,805,100	2,250,820,300	396,831,300	303,303,100	302,606,000
2008	12,227,187,600	2,439,988,800	407,206,600	322,729,100	262,648,000
2009	12,433,153,100	2,496,865,500	419,076,500	324,484,200	319,128,000

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. The equalized value determined as of January 1st is used to apportion the tax levied in November and collected in the subsequent year. This table reports the equalized value with the corresponding fiscal year in which the tax is collected.

(b)

Equalized Values are reduced by Tax Increment District value increments for apportioning the County levy.

(c)

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.

(a) Total Taxable Equalized Assessed Value (EAV)	Total Tax Increment District (TID)	(b) EAV less TID	All County Tax Levies	TAX RATE (c)
8,602,738,400	197,584,150	8,405,154,250	38,706,708	4.61%
9,020,937,100	249,019,150	8,771,917,950	41,418,826	4.72%
9,517,488,900	263,448,850	9,254,040,050	44,052,480	4.76%
10,170,481,400	300,962,450	9,869,518,950	47,002,288	4.76%
10,965,780,800	353,433,450	10,612,347,350	48,734,107	4.59%
12,081,482,000	408,211,950	11,673,270,050	50,587,305	4.33%
13,298,078,200	460,466,850	12,837,611,350	52,325,744	4.08%
14,830,365,800	521,705,250	14,308,660,550	48,031,096	3.36%
15,659,760,100	615,893,650	15,043,866,450	49,601,148	3.30%
15,992,707,300	665,102,950	15,327,604,350	50,786,176	3.31%

COUNTY OF RACINE, WISCONSIN
TABLE 6
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS PRIOR

2009

Taxpayer	Equalized Assessed Value	Rank	Total Est. Fair Market Value	Percentage of Total Equalized Value
All Saints	43,665,758	3	15,008,476,350	0.29%
Centerpoint Properties - (fka:Shoremaker / American Natl Ins)	38,106,704	5	15,008,476,350	0.25%
Associates, R.O.				
California State Teachers - (fka: High Ridge Hospital / Improv.)				
Case, JI Company	31,889,468	6	15,008,476,350	0.21%
First Indistrl Dev Srv				
Johnson, SC	125,379,265	1	15,008,476,350	0.84%
Menard, Inc.				
Regency Mall	112,256,808	2	15,008,476,350	0.75%
Rudd Lighting				
Aurora Medical Group	34,810,262	7	15,008,476,350	0.23%
Continental 63 & 81 Fund LLC (Wal-Mart & Sams & Aldis)	60,252,761	4	15,008,476,350	0.40%
Westgate Mall				
Bombardier Motor Corp Of America	20,111,206	9	15,008,476,350	0.13%
High Ridge Improvements	18,450,185	10	15,008,476,350	0.12%
Inland Southeast Mt Pleasant (Kohls & Jewel)	27,075,126	8	15,008,476,350	0.18%
Totals	511,997,543			3.41%

Source: Racine County Treasurer's Office

Footnote:

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

2000

Equalized Assessed Value	Rank	Total Est. Fair Market Value	Percentage of Total Equalized Value
20,897,334	4	8,479,256,950	0.25%
16,023,233	7	8,479,256,950	0.19%
9,667,674	10	8,479,256,950	0.11%
16,098,188	6	8,479,256,950	0.19%
34,909,144	3	8,479,256,950	0.41%
18,983,353	5	8,479,256,950	0.22%
62,798,638	1	8,479,256,950	0.74%
62,139,277	2	8,479,256,950	0.73%
15,865,974	8	8,479,256,950	0.19%
11,777,442	9	8,479,256,950	0.14%
269,160,257			3.17%

COUNTY OF RACINE, WISCONSIN
TABLE 7
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN 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	Percentage of Levy Collected
1999	2000	198,107,514	3,092,950	195,014,564	98.44%
2000	2001	212,489,221	3,614,222	208,874,999	98.30%
2001	2002	221,444,059	3,523,184	217,920,875	98.41%
2002	2003	224,378,130	3,395,675	220,982,455	98.49%
2003	2004	237,081,237	3,473,126	233,608,111	98.54%
2004	2005	251,899,220	3,670,655	248,228,565	98.54%
2005	2006	256,705,260	3,687,858	253,017,402	98.56%
2006	2007	277,621,142	5,102,167	272,518,975	98.16%
2007	2008	290,222,257	6,329,109	283,893,148	97.82%
2008	2009	305,393,464	7,199,980	298,193,484	97.64%

Source: Racine County Treasurer's Office

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

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

Collections in Subsequent Years	<u>Collected as of December 31, 2009</u>		
	Uncollected Amount	Collected Amount	Percentage of Levy Collected
3,080,817	12,133	198,095,381	99.99%
3,592,115	22,107	212,467,114	99.99%
3,481,703	41,481	221,402,578	99.98%
3,348,688	46,987	224,331,143	99.98%
3,389,559	83,566	236,997,671	99.96%
3,524,887	145,768	251,753,452	99.94%
3,310,870	376,988	256,328,272	99.85%
4,065,135	1,037,032	276,584,110	99.63%
3,368,250	2,960,859	287,261,398	98.98%
-	7,199,980	298,193,484	97.64%

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

MUNICIPALITY	SCHOOL DISTRICT	SANITARY DISTRICT	(c) 2009 EQUALIZED VALUE
<u>CITY</u>			
City Burlington	Burlington (0777) BU		718,518,700
City Racine			3,907,445,750
<u>TOWN</u>			
Tn Burlington	Burl (0777) BU		732,135,000
	Burl (0777) BU	Browns Lake (001) BR	732,135,000
	Burl (0777) BU	Browns Lake (011) BO	732,135,000
Tn Dover	Brighton Schs (0657) BR		351,762,000
	Kansasville (1449) KV		351,762,000
	Waterford (6113) WF		351,762,000
	Burlington (0777) BU		351,762,000
	North Cape (4690) NO		351,762,000
	Union Grove (5859) UG		351,762,000
	Yorkville (6748) YV		351,762,000
	Kansasville (1449) KV So. Colony (004) SC		351,762,000
	Burlington (0777) BU Eagle Lake (006) EL		351,762,000
	Kansasville (1449) KV Eagle Lake (006) EL		351,762,000
	Burlington (0777) BU Eagle Lake Mgt (100) EM		351,762,000
	Burl. (0777) BU Eagle Lk Mgt & Eagle Lk San (106) EM/EL		351,762,000
Tn Norway	Muskego/Norway Sch (3857) MN		873,121,700
	Norway J7 Sch (4011) NY		873,121,700
	Wash Caldwell (6104) WA		873,121,700
	Raymond Sch (4690) RA		873,121,700
	Waterford (6113) WF		873,121,700
	Muskego/Norway Sch (3857) MN	Norway #1 (001) NR	873,121,700
	Waterford (6113) WF	Norway #1 (001) NR	873,121,700
	Norway J7 (4011) NY	Norway #1 (001) NR	873,121,700
Tn Raymond	Raymond #14 (4686) RM		474,953,700
	Yorkville J2 (6748) YV		474,953,700
	North Cape J1 (4690) NO		474,953,700
	Drought J7 (4011) DR		474,953,700
Vil Rochester (e)	Waterford Sch (6113) WF		352,632,000
	Burlington (0777) BU		352,632,000
	Burlington (0777) BU	Honey Lake LTS/RL/HL	352,632,000
	Burlington (0777) BU	Honey Lake REHAB HL	352,632,000
Tn Waterford	Wash/Cald (6104) WA		776,052,200
	Waterford (6113) WF		776,052,200
Tn Yorkville	Yorkville J2 (6748) YV		507,034,200
	Yorkville J2 (6748) YV	Water (101) YW	507,034,200
	Union Grove UG		507,034,200

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 22.71	\$ 22.51	\$ 22.33	\$ 21.59	\$ 21.21	\$ 20.07	\$ 19.15	\$ 19.46	\$ 19.33	\$ 19.80
26.81	26.62	26.00	24.21	24.22	22.26	21.27	21.11	21.96	22.80
17.76	17.65	17.70	17.21	16.66	15.37	14.52	14.60	14.29	14.77
19.04	18.83	18.86	18.31	17.85	16.45	15.42	15.47	15.14	15.63
19.02	18.82	18.75	18.19	17.54	16.15	15.15	15.21	14.58	15.07
19.84	21.41	19.90	19.49	15.85	18.14	13.69	14.03	14.56	15.71
18.26	19.75	18.64	18.78	15.79	15.29	15.53	14.85	15.06	16.97
19.16	20.00	19.73	18.87	17.67	16.00	15.88	15.67	15.77	16.63
18.65	18.04	17.59	17.06	15.73	14.53	13.83	13.97	13.77	14.21
18.51	19.73	19.29	17.98	17.14	15.67	15.79	15.01	14.92	16.23
18.05	20.23	20.63	19.40	17.71	16.44	17.38	16.37	16.65	17.36
18.22	19.45	19.09	18.01	16.46	15.28	15.37	15.46	16.01	16.45
18.26	19.75	18.64	18.78	15.79	15.29	15.53	-	-	-
18.65	18.04	17.59	17.06	15.73	14.53	13.83	13.97	13.77	14.21
18.26	19.75	18.64	18.78	15.79	15.29	15.53	14.85	15.06	16.97
18.65	18.04	17.59	17.06	15.73	14.53	13.83	13.97	13.77	14.21
18.65	18.04	17.59	17.06	15.73	14.53	13.83	13.97	13.77	14.21
17.56	17.09	17.34	17.54	16.71	15.12	13.93	14.05	14.10	14.56
20.48	19.87	19.79	18.11	17.57	16.76	15.17	14.83	16.05	16.43
21.38	19.49	18.17	15.64	16.44	13.99	15.16	15.40	15.11	15.65
18.00	18.03	17.76	16.14	16.12	15.15	14.90	14.45	14.36	15.63
18.58	18.29	18.21	17.39	16.81	15.48	15.15	15.11	15.21	16.02
18.65	18.16	18.14	18.32	17.37	15.71	14.49	14.58	14.61	15.09
19.67	19.36	19.01	18.17	17.48	16.08	15.70	15.63	15.72	16.55
21.58	20.93	20.52	18.89	18.24	17.36	15.73	15.35	16.56	16.96
17.79	18.17	17.63	16.89	17.02	15.39	15.48	15.65	15.77	15.88
17.96	18.86	18.19	17.27	16.66	15.30	15.45	15.39	15.92	16.22
18.19	19.14	18.39	17.24	16.76	15.68	15.87	14.95	14.83	16.00
20.48	19.59	20.39	19.80	18.19	17.29	16.61	15.33	16.52	16.81
18.28	18.77	14.59	18.30	17.31	15.96	15.86	15.60	15.44	16.56
16.85	16.81	16.45	15.83	15.66	14.49	13.81	13.90	13.48	14.14
20.83	20.27	18.65	18.46	18.24	16.97	16.68	15.78	15.44	16.35
18.67	18.62	17.60	17.01	16.82	15.68	15.39	14.74	14.34	14.91
20.64	20.76	19.17	16.48	17.60	15.09	16.83	16.39	16.02	16.55
19.26	19.55	19.21	18.33	18.02	16.58	16.35	16.10	16.12	16.92
17.69	18.20	17.60	16.86	16.62	15.29	15.40	15.46	15.90	16.26
19.58	20.05	19.30	18.47	17.88	16.58	16.42	16.42	16.82	17.14
17.43	18.97	18.18	18.26	17.84	16.45	17.41	16.37	16.46	17.17

Continued

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

MUNICIPALITY	SCHOOL DISTRICT	SANITARY DISTRICT	(c) 2009 EQUALIZED VALUE	
<u>VILLAGE</u>				
Vil Caledonia	Unified (4620) UN	Crestview (740) CR/RR	2,234,855,400	
	Unified (4620) UN	Crestview (749) CS/LM	2,234,855,400	
	Unified (4620) UN	Caddy Vista (730) CV/RR	2,234,855,400	
	Unified (4620) UN	North Park (709) NP/ LM	2,234,855,400	
	Unified (4620) UN	North Park (710) NS/RR	2,234,855,400	
	Unified (4620) UN	North Park (719) NW/LM	2,234,855,400	
	Unified (4620) UN	Cal. #1 (400) CA/RR	2,234,855,400	
	Unified (4620) UN	Cal. #1 (410) CA/NA/RR	2,234,855,400	
	Unified (4620) UN	Cal. #1 (419) CW/CM/LM	2,234,855,400	
	Unified (4620) UN	Caledonia #1 (110) NA/RR	2,234,855,400	
	Unified (4620) UN	Lake Michigan (109) LM	2,234,855,400	
	Unified (4620) UN	Root River (100) RR	2,234,855,400	
	Vil Mt. Pleasant	Unified (4620) UN		2,811,068,800
		Unified (4620) UN	Mt. Pleas. Storm MD MS	2,811,068,800
		SL MP 123,103,003,403		
Unified (4620) UN		Caledonia #1 CT	2,811,068,800	
	Unified (4620) UN	No District (900) MT	2,811,068,800	
Vil Elmwood Pk	Unified (4620) UN		43,137,400	
Vil North Bay	Unified (4620) UN		39,562,200	
Vil Rochester (e)	Waterford Schs (6113) WF		352,632,000	
Vil Sturtevant	Unified (4620) UN		368,297,300	
Vil Union Grove	Union Grove (5859) UG		320,196,000	
Vil Waterford	Waterford (6113) WF		432,510,900	
Vil Wind Point	Unified (4620) UN		273,230,200	

Source: Racine County Treasurer's Office

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) 2007 total equalized value is used to apportion the tax levied in November and collected in the subsequent year.
- (d) As of 2007, Crestview (740) RE/RR and (749) CS/LM no longer exist. They are now incorporated into Caledonia East and West water/sewer districts
- (e) As of 2008, T of Rochester became part of Vil of Rochester

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

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 20.90	\$ 20.83	\$ 19.33	\$ 19.36	\$ 19.01	\$ 17.49	\$ 16.43	(d)	(d)	(d)
21.25	21.17	19.63	19.65	19.29	17.74	16.83	(d)	(d)	(d)
21.95	21.97	21.62	20.47	19.76	18.01	(b)	(b)	(b)	(b)
20.33	20.09	18.50	17.52	17.66	16.24	15.48	15.15	15.65	16.93
20.37	20.30	18.75	18.70	17.88	16.60	15.67	15.20	15.70	17.03
20.72	20.64	19.05	19.00	18.16	16.85	16.07	15.62	16.11	17.46
20.03	20.47	18.96	18.87	18.25	16.76	15.74	15.29	15.78	16.50
21.24	21.40	19.91	19.77	19.07	17.50	16.38	15.88	16.36	17.03
21.59	21.73	20.21	20.07	19.34	17.75	16.78	16.30	16.77	17.46
20.91	20.47	18.96	18.90	18.21	16.73	15.71	15.26	15.76	16.73
20.03	19.88	18.31	18.29	17.66	16.24	15.48	15.09	15.59	16.62
19.69	19.55	18.01	17.99	17.38	15.99	15.08	14.68	15.18	16.19
20.51	20.79	19.50	19.30	(a)	(a)	(a)	(a)	(a)	(a)
20.18	19.86	18.54	18.41	17.90	16.65	16.10	15.09	15.85	16.82
19.85	20.17	18.89	18.73	18.77	17.42	16.81	15.72	16.46	17.12
19.53	19.24	17.92	17.84	(a)	(a)	(a)	(a)	(a)	(a)
17.92	17.75	16.24	16.13	15.99	15.00	14.33	14.07	14.79	15.74
21.59	21.54	19.82	19.14	17.84	16.59	15.81	15.40	17.43	17.43
17.89	18.34	18.20	17.27	16.71	15.87	15.73	15.71	15.68	-
21.59	21.15	18.86	20.15	19.62	18.18	17.52	17.40	17.99	18.82
21.58	22.68	22.86	21.23	20.40	19.11	20.14	19.00	19.33	20.16
23.78	23.64	23.39	22.14	21.56	19.63	19.65	19.51	19.73	21.40
19.53	19.27	17.67	17.32	16.58	15.03	14.41	13.84	14.30	15.24

Concluded

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

Fiscal Year	Population (A)	Equalized Valuation (B)	PERSONAL INCOME	Governmental Activities		
				Bonds Payable	Notes Payable	State Trust Fund Loans
2000	188,831	8,602,738,400	\$ 5,434,367,349	\$ -	\$ 14,200,629	\$ 36,355
2001	189,490	9,020,937,100	5,655,139,560	10,460,042	-	-
2002	190,446	9,517,488,900	5,776,417,626	-	16,523,191	-
2003	191,079	10,170,481,400	5,975,231,409	3,930,000	15,220,000	184,100
2004	191,853	10,965,780,800	6,282,034,632	-	17,921,517	168,079
2005	193,239	12,081,482,000	6,507,516,564	-	17,401,517	152,517
2006	194,580	13,298,078,200	6,850,967,220	18,938,192	16,847,288	136,255
2007	195,113	14,830,365,800	6,977,826,219	18,445,000	16,493,060	119,261
2008	196,321	15,659,760,100	*	17,920,000	17,504,637	101,515
2009	196,380	15,992,707,300	*	17,395,000	18,644,116	82,958

Notes:

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

(B) Value as reduced by tax incremental financing districts

* Information not available

Governmental Activities (continued)		Business-type	Total	Percent of Debt to Equalized Valuation	Percent of Debt to Personal Income	Debt Per Capita
Tax Exempt General Obligation Debt	Taxable General Obligation Debt	General Obligation Debt	Primary Government Debt			
\$ 14,236,984	\$ -	\$ 4,820,000	\$ 19,056,984	0.22%	0.35%	100.92
10,460,042	-	4,890,000	15,350,042	0.17%	0.27%	81.01
16,523,191	-	4,710,000	21,233,191	0.22%	0.37%	111.49
19,334,100	10,295,000	4,520,000	34,149,100	0.34%	0.57%	178.72
18,089,596	10,225,000	6,368,483	34,683,079	0.32%	0.55%	180.78
17,554,034	10,120,000	6,328,483	34,002,517	0.28%	0.52%	175.96
35,921,735	9,985,000	5,794,401	51,701,136	0.39%	0.75%	265.71
35,057,321	9,815,000	5,371,724	50,244,045	0.34%	0.72%	257.51
35,526,152	9,605,000	5,030,364	50,161,516	0.32%	*	255.51
36,122,074	9,355,000	4,570,885	50,047,959	0.31%	*	254.85

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Equalized Value of Real and Personal Property	<u>\$ 9,020,937,100</u>	<u>\$ 9,517,488,900</u>	<u>\$ 10,170,481,400</u>	<u>\$ 10,965,780,800</u>
Debt Limit, 5% of Equalized Valuation (Wisconsin Statutory Limitation)	<u>\$ 451,046,855</u>	<u>\$ 475,874,445</u>	<u>\$ 508,524,070</u>	<u>\$ 548,289,040</u>
Amount of Debt Applicable to Debt Limitation:				
General Obligation Debt	\$ 14,236,984	\$ 15,350,042	\$ 21,233,191	\$ 34,149,100
Less Debt Service Funds	<u>(1,773,419)</u>	<u>(1,552,597)</u>	<u>(1,571,881)</u>	<u>(1,395,994)</u>
Total Amount of Debt Applicable to Debt Margin	<u>\$ 12,463,565</u>	<u>\$ 13,797,445</u>	<u>\$ 19,661,310</u>	<u>\$ 32,753,106</u>
Legal Debt Margin - (Debt Capacity)	<u>\$ 438,583,290</u>	<u>\$ 462,077,000</u>	<u>\$ 488,862,760</u>	<u>\$ 515,535,934</u>
Percent of Debt Capacity Used	2.8%	2.9%	3.9%	6.0%

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 2006, the County borrowed \$18.97 M for Jail project plus \$3.365 M for other projects.

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>\$ 12,081,482,000</u>	<u>\$ 13,298,078,200</u>	<u>\$ 14,830,365,800</u>	<u>\$ 15,659,760,100</u>	<u>\$ 15,992,707,300</u>	<u>\$ 15,912,047,700</u>
<u>\$ 604,074,100</u>	<u>\$ 664,903,910</u>	<u>\$ 741,518,290</u>	<u>\$ 782,988,005</u>	<u>\$ 799,635,365</u>	<u>\$ 795,602,385</u>
\$ 34,683,079	\$ 34,002,517	\$ 51,846,255	\$ 50,349,262	\$ 50,161,516	\$ 50,047,959
<u>(1,152,801)</u>	<u>(827,195)</u>	<u>(694,569)</u>	<u>(702,099)</u>	<u>(528,930)</u>	<u>(682,567)</u>
<u>\$ 33,530,278</u>	<u>\$ 33,175,322</u>	<u>\$ 51,151,686</u>	<u>\$ 49,647,163</u>	<u>\$ 49,632,586</u>	<u>\$ 49,365,392</u>
<u>\$ 570,543,822</u>	<u>\$ 631,728,588</u>	<u>\$ 690,366,604</u>	<u>\$ 733,340,842</u>	<u>\$ 750,002,779</u>	<u>\$ 746,236,993</u>
5.6%	5.0%	6.9%	6.3%	6.2%	6.2%

**COUNTY OF RACINE
TABLE 11
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
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	6,507,516,564	33,676	21,244	4,348	6.0%
2006	194,580	6,850,967,220	35,209	21,175	4,262	5.7%
2007	195,113	6,977,826,219	35,763	21,696	4,134	6.0%
2008	196,321	*	*	21,552	4,159	5.7%
2009	196,380	*	*	21,172	4,058	10.1%

* 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

**COUNTY OF RACINE, WISCONSIN
TABLE 12
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS PRIOR**

<u>Employer</u>	<u>Product or Business</u>	<u>2009</u>		<u>2000</u>	
		<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Wheaton Franciscan Healthcare - All Saints Inc	Health Care Provided Elementary & Secondary	1000+	1	1000+	3
Racine Unified School District S C Johnson & Son Inc	Schools	1000+	2	1000+	
CNH America LLC	Chemical & Allied Products: Consumer Products Farm and Construction Equipment	1000+	3	1000+	2
Emerson Electric Co	Household Appliances	500-999	7	1000+	4
Wal-Mart	Discount Department Stores	500-999	6		
City of Racine	Government	1000+	5	1000+	
County of Racine	Government	500-999	8	1000+	
Department of Corrections	Correctional Institutions	500-999	9	500-999	
Aurora Health Care of Southern Lake	General Medical & Surgical Hospitals	500-999			7
Department of Health Services	Government			500-999	
Modine Mfg Co	Heat Transfer Products			500-999	5
Olsten Of Milwaukee Inc	Help Supply Services			500-999	6
All Saints St. Luke's Memorial	General Medical & Surgical Hospitals			500-999	8
Wisconsin Services Corp	Automobile & Other Motor Vehicles			500-999	9
Ganton Technologies Inc	Aluminum Die-Castings			500-999	10
Johnson Diversey Inc	Polish & other sanitation good mfg	500-999	10		

Source: Wisconsin Department of Workforce Development, OEA

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

FUNCTION/PROGRAM	2000	2001	2002	2003	2004
General Government					
Building & Facilities Management Division	17.80	18.00	17.80	17.80	14.80
Clerk of Circuit Court Office	38.00	38.00	38.00	38.00	37.00
Corporation Counsel	5.60	5.60	5.60	5.60	5.60
County Board	32.00	32.00	24.00	24.00	23.50
County Clerk	4.00	4.00	4.00	4.00	3.50
County Executive	2.40	2.40	2.40	2.40	2.25
County Treasurer	4.00	4.00	4.50	4.50	4.50
District Attorney Office	12.50	12.50	12.50	12.50	11.50
Finance Department **	7.00	7.00	8.00	8.00	8.00
Human Resources Department	8.00	8.00	8.00	8.00	7.00
Information System Division	16.00	16.00	21.00	21.00	12.00
Land Information Office	-	-	1.40	1.40	1.40
Mail Room/Print Shop Division	2.00	2.00	2.00	2.00	2.00
Medical Examiner Office	2.50	2.50	2.50	2.70	2.08
Purchasing Department **	4.00	4.00	3.50	3.50	3.00
Real Property Lister Division	3.00	3.00	3.00	3.00	3.00
Register of Deeds	6.00	6.00	6.00	7.00	7.00
UW - Extension	3.00	3.00	3.00	3.00	2.00
Veterans Service Office	2.50	2.50	2.50	2.50	1.50
Victim Witness Office	7.50	7.50	7.50	7.50	7.00
Public Safety					
Dispatch	-	18.00	18.00	18.00	46.00
Emergency Management Office	1.50	1.50	1.50	1.30	1.38
Jail	124.00	124.00	124.50	120.00	111.00
Jail Alternatives	-	3.00	3.00	3.00	3.00
Sheriff Department	150.00	133.00	137.00	140.00	135.70
Health and Social Services					
Child Support Division	49.00	49.00	49.00	47.00	44.00
Family Court Commissioner	10.00	10.00	10.00	10.00	7.00
Human Service Division	235.50	232.50	228.50	227.00	217.50
Ridgewood Health Care Center	159.70	164.30	167.20	168.20	166.20
Education and Recreation					
County Schools Office	165.70	173.00	182.70	184.50	190.50
Parks Division	19.40	17.00	17.00	16.00	12.00
Parks Division - Seasonal FTE	-	15.10	15.70	16.10	16.90
Development					
Code Administration Division	6.60	-	-	-	-
Land Conservation Division	2.40	2.40	2.40	2.00	2.00
Planning/Development Division *	7.00	13.60	13.20	13.60	11.60
Highways and Streets					
Highway Division	75.50	75.50	75.50	74.50	72.50
Highway Division - Seasonal FTE	3.40	3.40	3.40	3.40	2.40
	<u>1,187.50</u>	<u>1,213.30</u>	<u>1,225.80</u>	<u>1,223.00</u>	<u>1,198.30</u>

Note: * & ** Department name changed and number of employees increased. The annual fluctuation occurred due to department restructuring.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
14.00	13.00	12.00	12.00	12.32
36.00	35.00	34.00	34.00	35.00
5.60	5.60	5.30	5.30	5.30
23.50	23.50	23.50	23.50	23.50
3.50	3.50	3.50	3.50	3.50
2.25	2.25	2.25	2.25	2.18
4.50	4.50	4.50	4.50	5.00
11.00	10.00	10.70	10.70	10.90
7.00	6.50	6.50	6.75	10.03
7.00	6.00	6.00	6.00	6.00
8.00	8.00	8.00	6.00	6.00
1.60	1.60	1.80	2.60	0.25
2.00	2.00	2.00	1.00	1.00
2.08	2.08	2.08	2.08	1.83
3.00	3.00	3.00	3.00	*
2.50	2.44	2.44	2.44	2.44
6.50	6.44	6.44	6.44	6.44
2.00	2.00	0.70	-	-
1.50	1.50	2.00	2.00	2.00
7.50	6.50	6.45	6.45	6.45
47.00	47.00	19.00	20.00	19.00
1.38	1.38	1.38	1.38	1.38
111.00	111.00	120.00	120.00	116.00
3.00	3.00	3.00	3.00	0.08
132.70	119.70	119.65	120.65	121.43
38.00	36.50	32.30	29.30	28.30
6.00	5.00	5.00	5.00	5.00
211.50	205.00	199.50	196.50	196.50
157.53	149.33	148.90	149.90	149.08
188.80	-	-	-	-
12.00	11.00	10.00	10.00	10.00
16.90	17.80	18.40	17.07	17.57
-	-	-	-	-
3.00	3.50	3.50	3.50	3.50
9.40	8.90	8.70	7.90	6.25
71.50	66.95	63.95	62.95	63.95
2.40	6.10	6.96	8.59	8.59
<u>1,163.13</u>	<u>937.55</u>	<u>903.40</u>	<u>896.24</u>	<u>886.74</u>

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

<u>FUNCTION/PROGRAM</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>Public Safety - Sheriff</u>				
Calls for Service (a) - Sheriff only	64,622	71,035	65,515	63,965
Arrests	16,040	16,584	23,361	22,501
Sworn Personnel	197	200	204	201
Average Daily Jail Population	612	592	633	636
Jail Bookings	8,637	9,799	10,931	10,859
<u>Health and Social services - Human Service</u>				
Economic Support Services				
Unduplicated Caseload (b)	6,995	8,060	9,192	11,270
Youth Apprehended	1,248	1,147	1,126	1,057
Mental Health Inpatient Days	5,165	4,122	4,759	4,804
WDC JobNet listings	9,603	13,817	7,741	2,655
<u>Ridgewood Healthcare Center</u>				
Admissions	171	119	160	187
Discharges	164	117	161	190
<u>Education and Recreation - Parks**</u>				
Daily Cliffside Park Camping Reservations	7,299	6,318	7,378	6,943
Daily Fischer & Quarry Lake Entrance (c)	44,215	55,424	49,248	27,911
Daily Fischer & Eagle Boat Launches	6,357	6,741	7,520	7,303
<u>Highways and Streets</u>				
Lane Miles Maintained				
County	335	335	330	330
State	500	500	550	550

** estimated

(a) Deputy generated traffic stops included in calls for service beginning in the last quarter of 1999 when computer aided dispatching began. Calls for service have steadily decreased due to a reduction in sworn personnel.

(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.

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
63,941	64,839	59,372	57,376	49,761	49,116
25,024	25,685	21,486	21,985	18,719	18,494
192	180	167	165	150	141
645	671	683	723	788	790
10,680	10,829	11,650	11,624	11,118	10,642
12,001	12,529	12,828	13,851	15,997	16,027
1,033	1,050	891	799	720	630
3,101	3,929	3,577	3,914	4,059	4,135
6,137	9,768	7,808	8,555	2,870	1,527
206	373	341	334	476	425
206	372	354	346	478	420
5,094	5,623	6,218	6,603	6,921	5,881
20,128	32,563	25,989	25,970	20,256	17,545
6,792	8,191	6,584	6,478	6,469	4,771
330	330	330	340	340	340
685	685	685	600	677	677

COUNTY OF RACINE, WISCONSIN
TABLE 15
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS

<u>FUNCTION/PROGRAM</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>Public safety - Sheriff</u>					
Patrol Units	25	25	25	25	25
Stations	2	2	2	2	2
Jail Beds	650	650	650	650	650
<u>Health and social services</u>					
<u>Ridgewood Healthcare Center</u>					
Licensed Beds	210	210	210	210	210
<u>Education and recreation</u>					
Park Acreage:					
Developed	1,827	1,827	1,827	1,827	1,827
Undeveloped	745	745	749	755	772
Bike Trails Miles	27	29	29	29	33
Parkways Acres	652	652	656	656	673
<u>Highways and streets</u>					
Vehicles and Pieces of Equipment	700	700	700	700	700
Centerline Miles of County Roads	335	335	330	330	330
Bridges	16	16	16	16	16
Dams	6	6	6	6	6

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
25	25	25	25	27
2	2	2	2	2
650	650	860	876	876
210	210	210	210	210
1,827	1,827	1,832	1,832	1832
794	837	841	841	841
34	34	34	34	39
694	694	694	694	695
700	700	672	623	620
330	330	165	170	170
16	16	16	16	16
6	6	6	6	6

