



COUNTY OF RACINE

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For the year ended December 31, 2011

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COUNTY OF RACINE, WISCONSIN

Racine, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2011

Prepared by:

Racine County Finance Department

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INTRODUCTORY SECTION

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COUNTY OF RACINE
FINANCE DEPARTMENT
Daniel J. Eastman, Finance Director
730 Wisconsin Avenue
Racine, Wisconsin 53404
262-636-3706 Toll Free 800-242-4202

July 31, 2012

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Racine for the fiscal year ended December 31, 2011. To satisfy requirements of state law and Racine County Ordinance, this report has been prepared by the County's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditors' report related specifically to the single audit is not included in this document, but is issued under separate cover.

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

Profile of the Government

Racine County operates under a County Executive who is responsible for the administrative functions of the County. The County Executive serves for a four year term and is elected on a non-partisan basis. The governing body of Racine County is comprised of 21 County Board Supervisors, each serving two-year terms and elected by a majority of voters from their respective district. The County Board was reduced from 23 Supervisors in April of 2012. The County Board is responsible for, among other things, passing ordinances, adopting the budget, and appointing committees. The County Executive is responsible for carrying out the policies and ordinances of the County Board, overseeing the day-to-day operations of the government, and appointing the heads of the various departments. The County elects the following offices to four year terms on a partisan basis, County Clerk, County Treasurer, Register of Deeds, County Sheriff, and Clerk of Courts.

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

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

Factors Affecting Financial Condition

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

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

The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate over the past year. The December 2011 unemployment rate of 8.1% is lower than the 8.5% reported at the end of 2010. Racine County is world headquarters of S.C. Johnson Wax, a leading global manufacturer of chemical specialty products for home care, insect control, and personal care. Racine County is also home to over 450 manufacturing companies including CNH, a manufacturer of agricultural and construction equipment and In-Sink-Erator, the world's largest manufacturer of household and commercial disposer systems.

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

Major Initiatives. The 2012 operating budget includes plans to

- Expand the county's revolving loan fund provided by Racine County Economic Development Corporation to advance economic development of the entire county.
- Establish a fully functional joint dispatch back-up facility within the City of Racine in the event that the county Communication Center is unusable.
- Implement an automated workforce management system to simplify employee time tracking, minimize compliance risk, and reduce the risk of payroll errors and payroll inflation. This system will also allow the County to more efficiently process payroll-related transactions and greatly reduce the need for manual data entry.
- Replace the county's legacy phone system and its underlying network infrastructure with a more reliable VOIP system.
- Combine all staff services and fully integrate the operations of the Public Works and Planning & Development Services Departments. The new Public Works and Development Services Department will allow for greater staff efficiencies and cross-training and increase ease-of-use for citizens.

Relevant Financial Policies

Cash management. Cash temporarily idle during the year was invested in certificates of deposit, U.S. Treasury obligations, the State of Wisconsin Local Government Investment Pool, and collateralized repurchase agreements. The primary objectives of the County's investment policy are to preserve capital in the overall portfolio, to remain sufficiently liquid to meet disbursement requirements, and to realize the maximum return consistent with portfolio safety and liquidity needs. The County Treasurer is responsible for investment of county funds.

Debt Administration. The County continues to have low-cost access to the debt markets to finance various capital projects. It is management's objective to adequately plan to meet the County's ongoing demands for essential capital improvement projects and equipment without overburdening taxpayers with general obligation bonds payable from tax levies. As of December 31, 2011, the County was rated Aa1, stable by Moody's Investor Services and AA, stable by Fitch Ratings on its long-term debt. Our recent ratings have remained unchanged. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such ratings may be obtained from such rating agency. The County has furnished to the rating agencies certain information and materials relating to the bonds and the County, including certain information and materials that have not been included in this financial report.

Risk management. Racine County is self funded for all risks, including workers' compensation, employee and retiree medical expenses, automobile, and public liability. As part of this comprehensive plan, the County maintains stop-loss coverage and accumulates resources in the general fund to meet potential losses. In addition, various control techniques, including employee accident prevention training, have been implemented during

the year to minimize accident-related losses. 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 Systems Actuary.

Racine County also provides postemployment health benefits for certain retirees and their dependents, which are financed on a pay-as-you-go basis. Additional information on Racine County's pension arrangements and postemployment benefits can be found in Notes IV.D and IV.E of the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its annual financial report for the fiscal year ended December 31, 2010. In order to be awarded a Certificate of Achievement, the county must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. 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.

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.

Respectfully submitted,



Daniel J. Eastman
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, 2010

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.

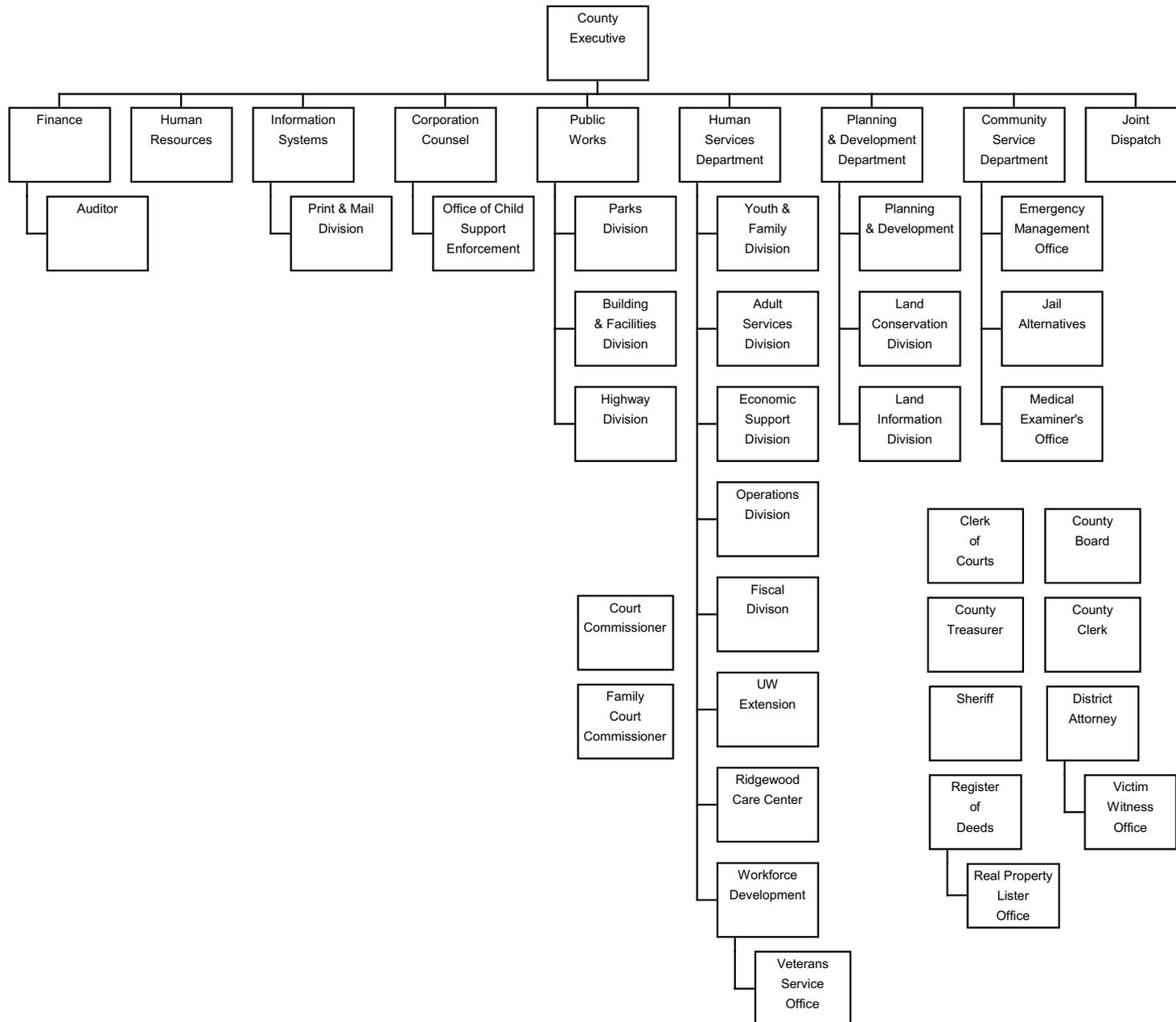


Linda C. Danson

President

Jeffrey R. Emer

Executive Director



COUNTY OF RACINE PRINCIPAL OFFICIALS

County Elected Officials

County Executive James A. Ladwig
County Clerk Wendy M. Christensen
County Treasurer Jane F. Nikolai
Register of Deeds Tyson Fettes
Clerk of Circuit Court..... Rose Lee
Sheriff..... Christopher Schmaling

County Board of Supervisors (by District Number) *

1 – Donnie Snow	12 – Ronald Molnar
2 – Kiana K. Johnson	13 – Mark M. Gleason
3 – Monte Osterman	14 – Katherine Buske
4 – Kenneth Lumpkin	15 – John Wisch
5 – David Cooke	16 – Peter L. Hansen, Chairman
6 – Q.A. Shakoor, II	17 – Robert D. Grove
7 – Russell A. Clark, Vice Chairman	18 – Gilbert Bakke
8 – Daniel F. Sharkozy	19 – Jeff Halbach
9 – Pamela Zenner-Richards	20 – Thomas Pringle
10 – Kenneth Hall	21 – Mike Dawson
11 – Robert N. Miller	

Appointed Officials *

Finance Director Daniel J. Eastman
Corporation Counsel Jonathan F. Lehman
Human Resources Director Karen Galbraith
Information Systems Director Terry DeBrabander
Human Services Director Jonathan Delegrave
Public Works & Development Services Director Julie A. Anderson
Ridgewood Healthcare Center Administrator Michelle Putz

* - at the time this 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
County of Racine, Wisconsin
Racine, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison information for the General Fund and the Human Services Fund of the County of Racine, Wisconsin, as of and for the year ended December 31, 2011, 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, each major fund, and the aggregate remaining fund information for the County of Racine, Wisconsin, as of December 31, 2011, 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 July 31, 2012 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the OPEB Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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 and individual fund 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. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

CliftonLarsonAllen LLP

Racine, Wisconsin
July 31, 2012

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011**

As management of Racine County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011. Please read it in conjunction with the letter of transmittal, which can be found on pages 1-4 of this report.

Financial Highlights

- The County's assets exceeded its liabilities, at the close of the 2011 year by \$57 million (*net assets*), \$48.2 million in governmental activities and \$8.8 million in business-type activities. The unrestricted net assets of the County were a negative \$16.3 million.
- The County's total net assets decreased by \$5.7 million. Governmental activities decreased the County's net assets by \$7.9 million, and business-type activities increased net assets by \$2.2 million.
- On December 31, 2011, the County's governmental funds reported combined fund balances of \$59.6 million, an increase of \$1.9 million from 2010. Approximately \$17.9 million, or 30.1% of the combined fund balance, is available for spending at the government's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

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

The *statement of net 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 the County is improving or deteriorating.

The *statement of activities* presents information showing how 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 these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Racine County include general government, public safety, health and social services, education and recreation,

COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011

development, and highways and streets. The business-type activities of Racine County include healthcare center services and golf courses.

The government-wide financial statements can be found on pages 22-24 of this report.

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

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

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

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

The County adopts an annual budget for all of its governmental funds, except the Permanent Fund. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the General fund and for each individual, major special revenue fund to demonstrate compliance with the budget. Budgetary comparisons for other funds with adopted budgets have been included in other supplementary financial information.

The basic governmental fund financial statements can be found on pages 25-30 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Racine County uses enterprise funds to account for its healthcare center and golf courses. *Internal service funds* are an accounting device used to accumulate and allocate costs

COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011

internally among the County's various functions. Racine County uses internal service funds for its central fleet and the highway department. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

The proprietary fund financial statements can be found on pages 31-34 of this report.

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

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

The fiduciary fund financial statements can be found on page 35 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-75 of this report.

Required supplementary information provides information on the funding progress of the County's other postemployment benefits (OPEB) on page 76 of this report.

Supplementary information includes the combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds. Combining and individual fund statements are presented immediately following the required supplementary information on pages 77-91 of this report. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 92-95 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 \$57.0 million at the close of the most recent fiscal year.

COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011

RACINE COUNTY'S NET ASSETS
(in thousands)

	Governmental		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
	Current and other assets	132,321	130,247	4,350	2,695	136,671
Capital assets	103,937	102,194	9,175	9,417	113,112	111,611
Total assets	236,258	232,441	13,525	12,112	249,783	244,553
Long-term liabilities	124,710	113,372	3,842	4,346	128,552	117,718
Other liabilities	63,355	62,928	839	1,139	64,194	64,067
Total liabilities	188,065	176,300	4,681	5,485	192,746	181,785
Net assets:						
Invested in capital assets, net of related debt	66,531	66,621	5,652	5,548	72,183	72,169
Restricted	1,192	479	-	-	1,192	479
Unrestricted	(19,530)	(10,959)	3,192	1,079	(16,338)	(9,880)
Total net assets	48,193	56,141	8,844	6,627	57,037	62,768

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

The restricted net assets represent resources that are subject to external restrictions on how they may be used. Unrestricted net assets represent the remaining amount of net assets that are neither related to capital assets nor are restricted for specific purposes.

**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011**

As shown in the following table, the County's net assets decreased by \$5.7 million during the year.

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

	Governmental		Activities		Business-type		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues:								
Program Revenues:								
Charges for services	\$ 10,467	\$ 10,571	\$ 17,392	\$ 17,048	\$ 27,859	\$ 27,619		
Operating grants and contributions	45,996	44,230	-	-	45,996	44,230		
Capital grants and contributions	494	3,725	-	-	494	3,725		
General Revenues:								
Property taxes	50,796	51,627	-	-	50,796	51,627		
Grants not restricted to specific programs	3,840	3,880	-	-	3,840	3,880		
Other	5,531	4,513	-	-	5,531	4,513		
Total revenues	117,124	118,546	17,392	17,048	134,516	135,594		
Expenses:								
General government	18,795	18,931	-	-	18,795	18,931		
Public safety	34,917	36,687	-	-	34,917	36,687		
Health and social services	50,583	53,773	-	-	50,583	53,773		
Education and recreation	6,271	6,822	-	-	6,271	6,822		
Development	4,287	2,600	-	-	4,287	2,600		
Highways and streets	6,846	7,478	-	-	6,846	7,478		
Interest and fiscal charges	1,815	1,810	-	-	1,815	1,810		
Healthcare center	-	-	16,497	16,204	16,497	16,204		
Golf courses	-	-	236	232	236	232		
Total expenses	123,514	128,101	16,733	16,436	140,247	144,537		
Change in net assets before transfers	(6,390)	(9,555)	659	612	(5,731)	(8,943)		
Transfers	(1,558)	(1,004)	1,558	1,004	-	-		
Change in net assets	(7,948)	(10,559)	2,217	1,616	(5,731)	(8,943)		
Net assets - beginning	56,141	66,700	6,627	5,011	62,768	71,711		
Net assets - ending	\$ 48,193	\$ 56,141	\$ 8,844	\$ 6,627	\$ 57,037	\$ 62,768		

**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011**

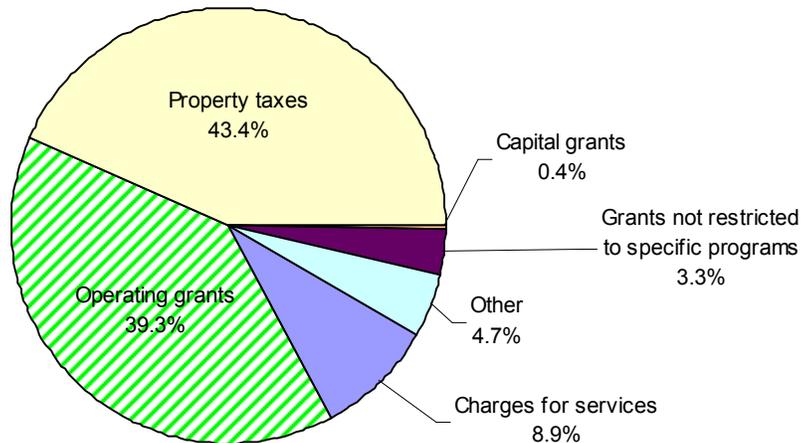
Governmental Activities

Revenues for the County's governmental activities were \$117.1 million for fiscal year 2011, representing a decrease of \$1.4 million, or 1.2%, over fiscal year 2010. The decrease is due to \$2.7 million of one-time ARRA stimulus money received in 2010 net of \$1.3 million of state CDBG funds received in 2011. Sources of revenue for 2011 as a percentage of total revenues are shown below. Property taxes constitute the largest revenue source and remain consistent with the prior year.

The overall decrease in expenses for governmental activities was \$4.6 million, or 3.5%. The majority of the decrease is due to fewer grant expenditures in the current year. Fiscal year 2010 included \$2.7 million of ARRA spending, \$0.2 million of public safety grant expenses, and an additional \$0.3 million for retiree insurance coverage. Additionally, health and human services expenses decreased from 2010 due to decreases in state funding that took effect in July with the new state budget.

The decrease in net assets for 2011 is the result of the County's annual OPEB obligation and a large claim against the County that was recorded as expense in 2011.

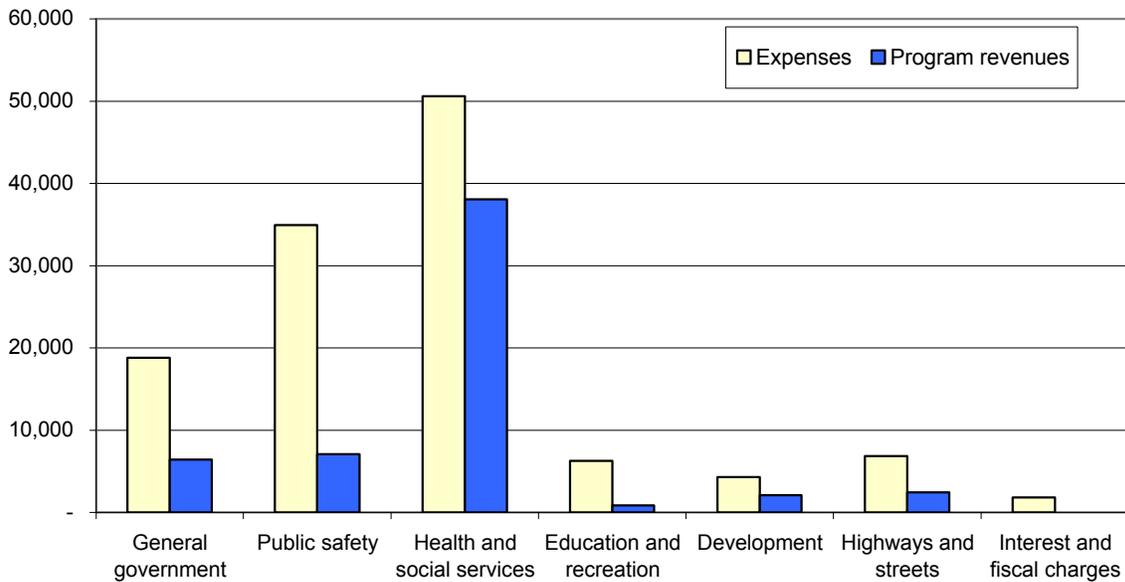
Revenues by Source - Governmental Activities



**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011**

Governmental activities expenses exceeded program revenues by \$66.5 million. When general revenues (which include such items as property taxes, investment earnings, and grants and contributions not restricted to specific programs) are included, total expenses exceed revenues by \$7.9 million after transfers. The following graph illustrates the expenses and program revenues, which does not include general revenues, for each area.

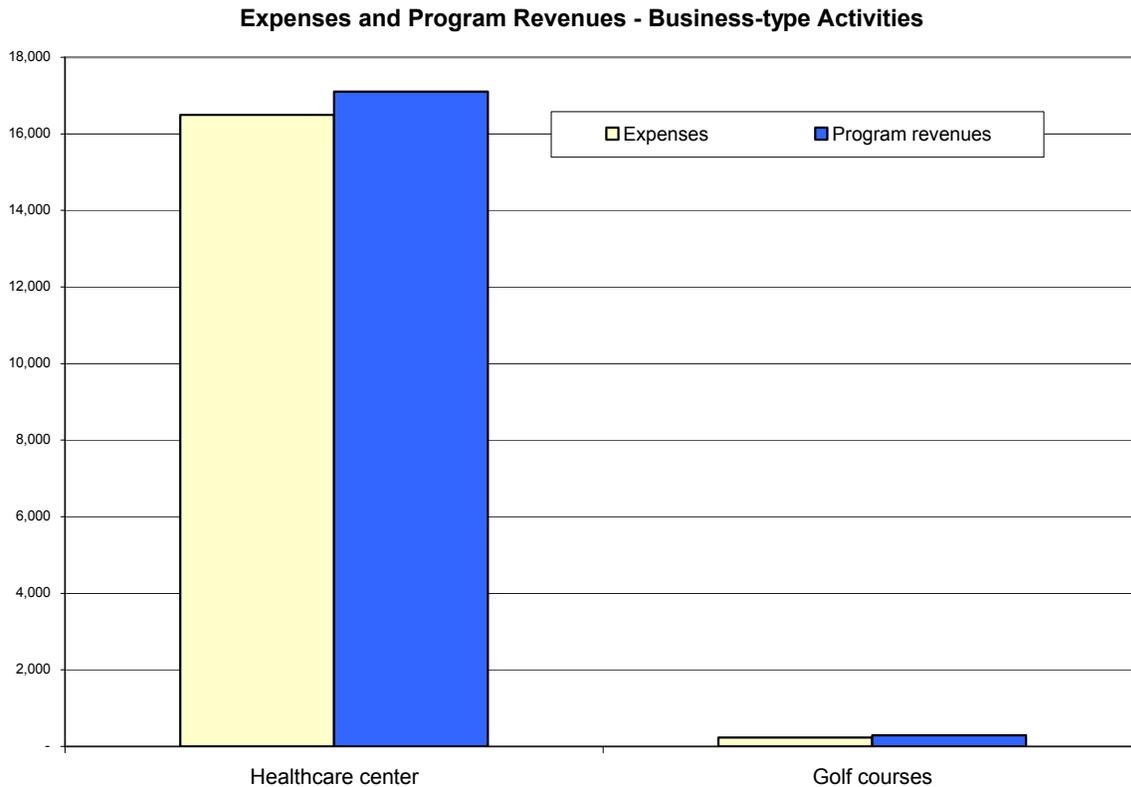
Expenses and Program Revenues - Governmental Activities



**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011**

Business-type Activities

Business-type activities (before transfers) increased the County's net assets by approximately \$659,000. This is comparable to prior years and is the result of charges for services covering related program expenses.



Financial Analysis of the County's Funds

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

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

COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011

At the end of the current fiscal year, Racine County's governmental funds reported combined fund balances of \$59.6 million, an increase of \$1.9 million in comparison with the prior year. Approximately 30% of this amount, \$17.9 million, is *unassigned fund balance*, which is available for spending at the governments' discretion. The remainder of fund balance is *nonspendable, restricted, committed* or *assigned* to indicate that it is not available for new spending because it has already been committed for inventory and prepaid items, non-current receivables, delinquent taxes, carryovers, endowment requirements, debt service or other purposes.

The General fund is the chief operating fund of the County. At year end, total fund balance of the General fund was \$48.5 million, of which 37%, or \$17.9 million, was unassigned. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers. Unassigned fund balance represents 24% of total General fund expenditures and transfers out, while total fund balance represents 65% of that same amount.

Fund balance of the County's General fund remained consistent with the prior year with a \$0.5 million decrease.

The Human Services special revenue fund accounts for the revenue and expenditures associated with the Human Services Department. Human Services is the largest department within the County's government and receives a wide variety of intergovernmental revenues. The Human Services fund balance of \$2.7 million includes \$2.67 million of funds assigned for specific purposes. Fund balance of the Human Services department increased by \$1.3 million.

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

Unrestricted net assets of Ridgewood Healthcare Center at the end of the year was \$2.6 million. The total growth in net assets was \$2.2 million. Unrestricted net assets of the Golf Course operations at the end of the year was approximately \$582,000. The total growth in net assets was approximately \$54,000.

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

General Fund Budgetary Highlights

Differences between the original and the final amended budget resulted in a \$20.4 million increase in appropriations. Carryovers and encumbrances accounted for nearly 80% (\$16 million) of the increase. This amount was budgeted from available fund balance. The remaining \$4.4 million increase is mainly attributable to grants and other items, including:

- \$436,000 of ARRA grants for child support enforcement efforts.
- \$453,000 of Sheriff office grants to increase enforcement of drunk driving laws and provide additional deputy presence on I-94.

**COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011**

- \$3 million of Community Development Block Grants and Racine County Economic Development Corporation grants for business development and retention within Racine County.

Actual revenues of the general fund were \$1.0 million under the final amended budget. Intergovernmental revenues were \$1.7 million under budget due to the carryover of \$1.4 million of state CDBG grants to the next fiscal year and a \$400,000 revenue shortfall due to lower than anticipated federal and out-of-county prisoners for which the County expected to bill other governments.

Actual expenditures of the general fund were \$17.4 million under the final amended budget. Of that amount, \$17 million was carried forward to 2012 for budgeted projects and grants which were not completed in 2011.

The General Fund budgetary comparison is presented on page 29 of this report.

Capital Asset and Debt Administration

Capital assets. Racine County's investment in capital assets for its governmental and business-type activities as of December 31, 2011, amounted to \$113.1 million (net of accumulated depreciation), an increase of \$1.5 million from 2010. This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways and bridges, and construction in progress.

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

- Communications invested \$1.2 million in joint dispatch equipment for upgrades and to establish an off-site emergency backup location.
- Racine County Sheriff's Office had an upgrade to their security controls for \$225,000.
- The courthouse started a project to install a heat system in the entry plaza for \$162,000.

RACINE COUNTY'S CAPITAL ASSETS
(net, in thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 21,557	\$ 21,557	\$ 1,132	\$ 1,132	\$ 22,689	\$ 22,689
Construction in progress	3,471	1,653	113	53	3,584	1,706
Buildings	40,312	40,873	5,753	5,854	46,065	46,727
Improvements	5,891	5,448	1,733	1,920	7,624	7,368
Machinery and equipment	7,870	7,540	444	459	8,314	7,999
Infrastructure	24,836	25,123	-	-	24,836	25,123
Total	\$ 103,937	\$ 102,194	\$ 9,175	\$ 9,418	\$ 113,112	\$ 111,612

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

COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011

Long-term debt. At the end of the current fiscal year, Racine County had \$51.8 million of general obligation debt outstanding. The County maintains an Aa1 rating from Moody's Investors Services on general obligation debt. Under current state statutes, the County's general obligation debt issues are subject to a legal limitation of 5% of the equalized value of taxable property in the County. As of December 31, 2011 the County's total amount applicable to the debt margin (outstanding notes less debt service fund balance) is \$51.6 million, which is significantly below the legal limit of \$752.1 million. The net debt per capita remained consistent with the previous year at \$265 at year end.

During the year, the County issued \$6.6 million of tax exempt general obligation promissory notes to finance the cost of capital improvements within the County. Budgeted capital improvements included \$1.6 million for highways and local roads, \$1.4 million for joint dispatch upgrades and establishment of a backup location, \$1.1 million for park improvements including harbor breakwater repairs, \$890,000 for courthouse improvements, \$700,000 for building improvements and upgrades at Ridgewood Care Center and \$570,000 for highway equipment.

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

Economic Factors

Current economic conditions, including the recession, have impacted communities throughout Wisconsin and the nation. Major revenue sources of the County continue to be affected by the slower than expected economic recovery, historically low interest rates, difficulties in the real estate market recovery, and the State budget deficit. Additionally, the County is responsible for the delinquent taxes of all municipalities within its borders.

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

Next Year's Budget and Rates

In 2011, the State of Wisconsin brought the County many challenges and opportunities, including a decrease in State aid funding, tighter tax levy limitations, and mandated employee benefit reductions. While the State reduced 2012 aid payments to the County by approximately \$1 million, they also provided relief from policy and contractual commitments to pay the employees' share of Wisconsin Retirement System contributions which will save the County approximately \$1.5 million. Additionally, the State changed how non-protective employee unions can bargain. This change allowed the County to make changes to our benefit structures, including health insurance, which will provide savings in both the near-term and long-term.

COUNTY OF RACINE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2011

The 2012 general county-wide levy, which covers operations and debt services, remained consistent and actually decreased slightly from the prior year. Other tax levies of the County include bridge aids, library, and county schools. Overall, the County's total tax levy increased by 0.14% or \$69,500 from 2011.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

COUNTY OF RACINE, WISCONSIN
STATEMENT OF NET ASSETS
December 31, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 52,940,329	\$ 471,210	\$ 53,411,539
Receivables (net of allowance for uncollectibles)	77,291,869	2,566,175	79,858,044
Internal balances	(986,225)	986,225	-
Inventories	829,922	67,497	897,419
Prepaid items	778,666	3,137	781,803
Deferred charges	347,165	117,538	464,703
Restricted assets:			
Cash and investments	1,119,632	137,755	1,257,387
Capital assets not being depreciated:			
Land	21,557,055	1,131,761	22,688,816
Construction in progress	3,470,717	113,047	3,583,764
Capital assets being depreciated, net	78,909,034	7,930,287	86,839,321
Total assets	<u>236,258,164</u>	<u>13,524,632</u>	<u>249,782,796</u>
LIABILITIES			
Accounts payable and other current liabilities	11,720,572	758,598	12,479,170
Accrued interest payable	433,796	11,363	445,159
Due to other governments	94,089	-	94,089
Unearned revenues	51,106,231	-	51,106,231
Deposits	-	68,356	68,356
Noncurrent liabilities:			
Due within one year	8,451,112	844,190	9,295,302
Due in more than one year	116,258,780	2,998,033	119,256,813
Total liabilities	<u>188,064,580</u>	<u>4,680,540</u>	<u>192,745,120</u>
NET ASSETS			
Invested in capital assets, net of related debt	66,531,523	5,652,137	72,183,660
Restricted	1,192,375	-	1,192,375
Unrestricted (deficit)	(19,530,314)	3,191,955	(16,338,359)
Total net assets	<u>\$ 48,193,584</u>	<u>\$ 8,844,092</u>	<u>\$ 57,037,676</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2011**

<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	\$ 18,794,913	\$ 4,689,931	\$ 1,746,895	\$ 3,855
Public safety	34,917,243	2,882,137	4,186,229	2,804
Health and social services	50,582,992	2,222,133	35,857,515	-
Education and recreation	6,271,197	244,946	109,486	487,463
Development	4,286,674	428,282	1,643,688	-
Highways and streets	6,845,619	-	2,452,170	-
Interest and fiscal charges	1,815,230	-	-	-
Total governmental activities	<u>123,513,868</u>	<u>10,467,429</u>	<u>45,995,983</u>	<u>494,122</u>
Business-type activities:				
Healthcare Center	16,497,328	17,102,754	-	-
Golf Courses	236,165	289,804	-	-
Total business-type activities	<u>16,733,493</u>	<u>17,392,558</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 140,247,361</u>	<u>\$ 27,859,987</u>	<u>\$ 45,995,983</u>	<u>\$ 494,122</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**

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (12,354,232)	\$ -	\$ (12,354,232)
(27,846,073)	-	(27,846,073)
(12,503,344)	-	(12,503,344)
(5,429,302)	-	(5,429,302)
(2,214,704)	-	(2,214,704)
(4,393,449)	-	(4,393,449)
(1,815,230)	-	(1,815,230)
<u>(66,556,334)</u>	<u>-</u>	<u>(66,556,334)</u>
-	605,426	605,426
-	53,639	53,639
<u>-</u>	<u>659,065</u>	<u>659,065</u>
<u>(66,556,334)</u>	<u>659,065</u>	<u>(65,897,269)</u>
45,035,318	-	45,035,318
5,761,091	-	5,761,091
3,840,094	-	3,840,094
4,128,649	-	4,128,649
1,401,946	96	1,402,042
(1,558,276)	1,558,276	-
<u>58,608,822</u>	<u>1,558,372</u>	<u>60,167,194</u>
(7,947,512)	2,217,437	(5,730,075)
<u>56,141,096</u>	<u>6,626,655</u>	<u>62,767,751</u>
<u>\$ 48,193,584</u>	<u>\$ 8,844,092</u>	<u>\$ 57,037,676</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2011

	General	Human Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 52,450,524	\$ 825	\$ 488,280	\$ 52,939,629
Receivables:				
Property taxes:				
Current year levy	44,473,812	-	6,427,035	50,900,847
Delinquent	13,050,848	-	-	13,050,848
Loans	550,000	-	-	550,000
Due from other governments	2,318,764	4,372,891	-	6,691,655
Interest and penalties	4,210,848	-	-	4,210,848
Other	702,691	614,622	-	1,317,313
Due from other funds	1,076,223	2,652,361	8,001,159	11,729,743
Inventories	35,747	-	-	35,747
Prepaid items	744,139	34,527	-	778,666
Restricted assets				
Cash and investments	712,400	-	407,232	1,119,632
Total assets	<u>\$ 120,325,996</u>	<u>\$ 7,675,226</u>	<u>\$ 15,323,706</u>	<u>\$ 143,324,928</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,097,348	\$ 4,949,180	\$ 129,806	\$ 7,176,334
Accrued liabilities	3,870,821	-	-	3,870,821
Due to other governments	94,089	-	-	94,089
Due to other funds	15,417,626	-	294,710	15,712,336
Deferred revenues	50,377,943	26,054	6,427,035	56,831,032
Total liabilities	<u>71,857,827</u>	<u>4,975,234</u>	<u>6,851,551</u>	<u>83,684,612</u>
 FUND BALANCES				
Nonspendable	12,857,104	34,527	264,246	13,155,877
Restricted	712,400	-	409,299	1,121,699
Committed	16,956,084	-	5,522,886	22,478,970
Assigned	-	2,665,465	2,275,724	4,941,189
Unassigned	17,942,581	-	-	17,942,581
Total fund balances	<u>48,468,169</u>	<u>2,699,992</u>	<u>8,472,155</u>	<u>59,640,316</u>
 Total liabilities and fund balances	<u>\$ 120,325,996</u>	<u>\$ 7,675,226</u>	<u>\$ 15,323,706</u>	<u>\$ 143,324,928</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET ASSETS
December 31, 2011**

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

Fund balances of governmental funds	\$	59,640,316
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land		21,557,055
Construction in progress		3,470,717
Capital assets being depreciated, net		78,909,034
Less: Internal service fund capital assets, net of depreciation		(6,617,341)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
		5,724,801
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		(48,187,498)
Unamortized premium on long-term debt		(103,753)
Unamortized loss on refunding		126,877
Compensated absences		(2,969,323)
Claims and judgments		(4,170,802)
Net OPEB obligation		(69,405,392)
Accrued interest on long-term debt		(433,796)
Deferred charges		347,165
Less: Internal service fund general obligation debt		160,440
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.		
		10,145,084
Net assets of governmental activities	\$	48,193,584

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, 2011

	<u>General</u>	<u>Human Services Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 44,543,689	\$ -	\$ 6,443,920	\$ 50,987,609
Intergovernmental	14,715,210	33,120,077	2,452,170	50,287,457
Fines and fees	7,660,295	89,347	-	7,749,642
Investment income	4,120,323	-	8,326	4,128,649
Miscellaneous	896,613	2,039,695	778,279	3,714,587
Total revenues	<u>71,936,130</u>	<u>35,249,119</u>	<u>9,682,695</u>	<u>116,867,944</u>
EXPENDITURES				
Current:				
General government	15,726,460	-	-	15,726,460
Public safety	32,962,956	-	-	32,962,956
Health and social services	5,764,829	41,256,510	-	47,021,339
Education and recreation	4,151,309	-	709,593	4,860,902
Development	2,725,818	-	-	2,725,818
Highways and streets	629,808	-	5,485,046	6,114,854
Capital outlay	1,976,519	-	2,449,939	4,426,458
Debt service:				
Principal retirement	-	-	4,309,329	4,309,329
Interest and fiscal charges	-	-	1,744,994	1,744,994
Total expenditures	<u>63,937,699</u>	<u>41,256,510</u>	<u>14,698,901</u>	<u>119,893,110</u>
Excess (deficiency) of revenues over expenditures	<u>7,998,431</u>	<u>(6,007,391)</u>	<u>(5,016,206)</u>	<u>(3,025,166)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,615,504	7,507,285	4,456,465	13,579,254
Transfers out	(10,114,461)	(154,904)	(4,980,604)	(15,249,969)
Proceeds from sale of capital assets	-	-	3,700	3,700
Issuance of general obligation debt	-	-	6,560,000	6,560,000
Total other financing sources (uses)	<u>(8,498,957)</u>	<u>7,352,381</u>	<u>6,039,561</u>	<u>4,892,985</u>
Net change in fund balances	(500,526)	1,344,990	1,023,355	1,867,819
FUND BALANCES				
Beginning of year	<u>48,968,695</u>	<u>1,355,002</u>	<u>7,448,800</u>	<u>57,772,497</u>
End of year	<u>\$ 48,468,169</u>	<u>\$ 2,699,992</u>	<u>\$ 8,472,155</u>	<u>\$ 59,640,316</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, 2011**

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

Net changes in fund balances - total governmental funds	\$ 1,867,819
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.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	4,426,458
Some items reported as current expenditures were capitalized	1,336,328
Depreciation is reported in the government-wide financial statements	(4,518,742)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets	(10,667)
The net revenue of the internal service funds is reported with governmental activities.	632,295
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.	(236,377)
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.	
Debt issued	(6,560,000)
Principal repaid	4,309,329
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.	
Debt issuance costs	36,450
Amortization of debt premium	19,915
Amortization of debt issuance costs	(44,018)
Amortization of loss on refunding	(15,860)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Accrued interest on long-term debt	(60,577)
Compensated absences	918,839
Claims and judgments	(772,375)
Net OPEB Obligation	<u>(9,276,329)</u>
Changes in net assets of the governmental activities	\$ <u>(7,947,512)</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, 2011**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		(Negative)
REVENUES				
Taxes	\$ 44,387,429	\$ 44,387,429	\$ 44,543,689	\$ 156,260
Intergovernmental	12,914,472	16,444,582	14,715,210	(1,729,372)
Fines and fees	7,426,316	7,768,123	7,660,295	(107,828)
Investment income	3,869,000	3,868,035	4,120,323	252,288
Miscellaneous	211,435	428,492	896,613	468,121
Total revenues	<u>68,808,652</u>	<u>72,896,661</u>	<u>71,936,130</u>	<u>(960,531)</u>
EXPENDITURES				
Current:				
General government	14,465,012	31,007,297	15,726,460	15,280,837
Public safety	32,081,527	32,718,321	32,962,956	(244,635)
Health and social services	5,995,741	5,977,770	5,764,829	212,941
Education and recreation	4,262,232	4,194,755	4,151,309	43,446
Development	1,397,991	4,634,042	2,725,818	1,908,224
Highway and streets	626,486	626,486	629,808	(3,322)
Capital outlay	<u>2,101,542</u>	<u>2,136,542</u>	<u>1,976,519</u>	<u>160,023</u>
Total expenditures	<u>60,930,531</u>	<u>81,295,213</u>	<u>63,937,699</u>	<u>17,357,514</u>
Excess (deficiency) of revenues over expenditures	<u>7,878,121</u>	<u>(8,398,552)</u>	<u>7,998,431</u>	<u>16,396,983</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,526,286	2,688,754	1,615,504	(1,073,250)
Transfers out	<u>(11,306,187)</u>	<u>(11,445,002)</u>	<u>(10,114,461)</u>	<u>1,330,541</u>
Total other financing sources (uses)	<u>(8,779,901)</u>	<u>(8,756,248)</u>	<u>(8,498,957)</u>	<u>257,291</u>
Net change in fund balances	<u>\$ (901,780)</u>	<u>\$ (17,154,800)</u>	<u>(500,526)</u>	<u>\$ 16,654,274</u>
FUND BALANCES				
Beginning of year			<u>48,968,695</u>	
End of year			<u>\$ 48,468,169</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, 2011**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 33,107,178	\$ 34,613,554	\$ 33,120,077	\$ (1,493,477)
Fines and fees	115,201	115,201	89,347	(25,854)
Miscellaneous	<u>2,031,736</u>	<u>2,024,447</u>	<u>2,039,695</u>	<u>15,248</u>
Total revenues	<u>35,254,115</u>	<u>36,753,202</u>	<u>35,249,119</u>	<u>(1,504,083)</u>
EXPENDITURES				
Current:				
Health and social services	<u>42,761,400</u>	<u>46,604,741</u>	<u>41,256,510</u>	<u>5,348,231</u>
Total expenditures	<u>42,761,400</u>	<u>46,604,741</u>	<u>41,256,510</u>	<u>5,348,231</u>
Excess (deficiency) of revenues over expenditures	<u>(7,507,285)</u>	<u>(9,851,539)</u>	<u>(6,007,391)</u>	<u>3,844,148</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,507,285	7,482,140	7,507,285	25,145
Transfers out	<u>-</u>	<u>-</u>	<u>(154,904)</u>	<u>(154,904)</u>
Total other financing sources (uses)	<u>7,507,285</u>	<u>7,482,140</u>	<u>7,352,381</u>	<u>(129,759)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (2,369,399)</u>	1,344,990	<u>\$ 3,714,389</u>
FUND BALANCES				
Beginning of year			<u>1,355,002</u>	
End of year			<u>\$ 2,699,992</u>	

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities
	Ridgewood Healthcare Center	Golf Courses	Totals	Internal Service Funds
ASSETS				
Current assets				
Cash and investments	\$ 3,000	\$ 468,210	\$ 471,210	\$ 700
Receivables (net of allowance for uncollectibles)	486,793	11,000	497,793	16,736
Due from other governments	2,068,382	-	2,068,382	553,622
Due from other funds	873,770	112,455	986,225	3,777,881
Inventories	67,497	-	67,497	794,174
Prepaid items	3,137	-	3,137	#REF!
Deferred charges	117,538	-	117,538	-
Total current assets	3,620,117	591,665	4,211,782	#REF!
Noncurrent assets				
Restricted assets:				
Cash and investments	137,755	-	137,755	-
Capital assets not being depreciated:				
Land	-	1,131,761	1,131,761	-
Construction in progress	254	112,793	113,047	39,308
Capital assets being depreciated:				
Buildings	11,736,327	1,586,251	13,322,578	4,586,281
Improvements other than buildings	252,937	3,654,492	3,907,429	1,922,803
Machinery and equipment	2,293,865	-	2,293,865	9,903,646
Less: accumulated depreciation	(9,075,530)	(2,518,055)	(11,593,585)	(9,834,697)
Total capital assets	5,207,853	3,967,242	9,175,095	6,617,341
Total noncurrent assets	5,345,608	3,967,242	9,312,850	6,617,341
Total assets	8,965,725	4,558,907	13,524,632	#REF!
LIABILITIES				
Current liabilities				
Accounts payable and other current liabilities	748,598	10,000	758,598	673,417
Accrued interest payable	11,363	-	11,363	-
Due to other funds	-	-	-	781,513
Deposits	68,356	-	68,356	-
Compensated absences	319,265	-	319,265	-
Current maturities on bonds payable	524,925	-	524,925	48,854
Total current liabilities	1,672,507	10,000	1,682,507	1,503,784
Noncurrent liabilities				
Long term maturities on bonds payable	2,998,033	-	2,998,033	111,586
Total liabilities	4,670,540	10,000	4,680,540	1,615,370
NET ASSETS				
Invested in capital assets, net of related debt	1,684,895	3,967,242	5,652,137	6,456,901
Unrestricted	2,610,290	581,665	3,191,955	3,688,183
Total net assets	\$ 4,295,185	\$ 4,548,907	\$ 8,844,092	\$ 10,145,084

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
Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Ridgewood Healthcare Center	Golf Courses	Totals	
OPERATING REVENUES				
Resident charges for services, net	\$ 17,076,787	\$ 289,195	\$ 17,365,982	\$ -
Highway charges and fees	-	-	-	9,711,147
Other	25,967	609	26,576	489,210
Total operating revenues	<u>17,102,754</u>	<u>289,804</u>	<u>17,392,558</u>	<u>10,200,357</u>
OPERATING EXPENSES				
Resident services	10,062,631	-	10,062,631	-
Operations and maintenance	1,377,256	13,115	1,390,371	-
Administration	4,109,050	-	4,109,050	-
Highway maintenance	-	-	-	9,026,367
Other	241,379	-	241,379	-
Depreciation	540,282	223,050	763,332	602,034
Total operating expenses	<u>16,330,598</u>	<u>236,165</u>	<u>16,566,763</u>	<u>9,628,401</u>
Operating income	<u>772,156</u>	<u>53,639</u>	<u>825,795</u>	<u>571,956</u>
NONOPERATING REVENUES (EXPENSE)				
Grants	-	-	-	3,855
Interest income	96	-	96	-
Interest expense	(146,038)	-	(146,038)	(6,146)
Amortization expense	(20,692)	-	(20,692)	-
Loss on disposal of capital assets	-	-	-	(49,809)
Total nonoperating expense	<u>(166,634)</u>	<u>-</u>	<u>(166,634)</u>	<u>(52,100)</u>
Income before transfers	<u>605,522</u>	<u>53,639</u>	<u>659,161</u>	<u>519,856</u>
TRANSFERS				
Transfers in	1,855,090	-	1,855,090	1,015,205
Transfers out	(296,814)	-	(296,814)	(902,766)
Total transfers	<u>1,558,276</u>	<u>-</u>	<u>1,558,276</u>	<u>112,439</u>
Change in net assets	2,163,798	53,639	2,217,437	632,295
NET ASSETS				
Beginning of year	<u>2,131,387</u>	<u>4,495,268</u>	<u>6,626,655</u>	<u>9,512,789</u>
End of year	<u>\$ 4,295,185</u>	<u>\$ 4,548,907</u>	<u>\$ 8,844,092</u>	<u>\$ 10,145,084</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, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Ridgewood Healthcare Center	Golf Courses	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers and users	\$ 17,091,708	\$ 278,962	\$ 17,370,670	\$ 6,321,620
Received from interfund services provided	(873,770)	-	(873,770)	6,524,067
Paid for interfund services provided	(1,373,854)	(122,281)	(1,496,135)	(2,364,533)
Paid to suppliers	(9,173,583)	(29,917)	(9,203,500)	(2,308,701)
Paid to employees	(6,692,632)	-	(6,692,632)	(7,082,683)
Net cash provided by operating activities	<u>(1,022,131)</u>	<u>126,764</u>	<u>(895,367)</u>	<u>1,089,770</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interest income	96	-	96	-
Transfers in	1,855,090	-	1,855,090	1,015,205
Transfers out	(296,814)	-	(296,814)	(902,766)
Net cash provided by (used in) noncapital financing activities	<u>1,558,372</u>	<u>-</u>	<u>1,558,372</u>	<u>112,439</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(394,653)	(126,292)	(520,945)	(1,170,938)
Grant funds received	-	-	-	3,855
Proceeds from sale of capital assets	-	-	-	10,061
Principal paid on capital debt	(496,897)	-	(496,897)	(39,041)
Interest paid on capital debt	(147,576)	-	(147,576)	(6,146)
Net cash used in capital and related financing activities	<u>(1,039,126)</u>	<u>(126,292)</u>	<u>(1,165,418)</u>	<u>(1,202,209)</u>
Net increase (decrease) in cash and cash equivalents	(502,885)	472	(502,413)	-
CASH AND CASH EQUIVALENTS				
Beginning of year	<u>643,640</u>	<u>467,738</u>	<u>1,111,378</u>	<u>700</u>
End of year	<u>\$ 140,755</u>	<u>\$ 468,210</u>	<u>\$ 608,965</u>	<u>\$ 700</u>

The accompanying notes are an integral part of this statement.

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Ridgewood Healthcare Center	Golf Courses	Totals	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 772,156	\$ 53,639	\$ 825,795	\$ 571,956
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation	540,282	223,050	763,332	602,034
Bad debt expense	75,000	-	75,000	-
Changes in assets and liabilities:				
Receivables	148,646	(10,842)	137,804	18,526
Due from other funds	(873,770)	-	(873,770)	211,191
Inventories	(17,063)	-	(17,063)	(79,546)
Prepaid items	4,052	-	4,052	-
Due to other funds	(1,373,854)	(122,281)	(1,496,135)	54,422
Accounts payable	(38,367)	(16,802)	(55,169)	(155,037)
Unearned revenue	(234,692)	-	(234,692)	-
Other liabilities	(24,521)	-	(24,521)	(133,776)
Net cash provided by operating activities	<u>\$ (1,022,131)</u>	<u>\$ 126,764</u>	<u>\$ (895,367)</u>	<u>\$ 1,089,770</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Unrestricted cash and cash equivalents	\$ 3,000	\$ 468,210	\$ 471,210	\$ 700
Restricted cash and cash equivalents	<u>137,755</u>	<u>-</u>	<u>137,755</u>	<u>-</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 140,755</u>	<u>\$ 468,210</u>	<u>\$ 608,965</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, 2011

	<u>Total Agency Funds</u>
ASSETS	
Cash and investments	\$ 4,221,847
Receivables:	
Delinquent property taxes	302,926
Other	<u>473,413</u>
Total assets	<u><u>\$ 4,998,186</u></u>
 LIABILITIES	
Accounts payable	\$ 2,705
Agency deposits	<u>4,995,481</u>
Total liabilities	<u><u>\$ 4,998,186</u></u>

The accompanying notes are an integral part of this statement.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

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) the primary government may be financially accountable if an organization is fiscally dependent on the primary government. The County has elected to early implement GASB Statement No. 61 – The Financial Reporting Entity Omnibus amendment of GASB Statement No 14 and 34 effective for the year ended December 31, 2011. As such, the County has determined the Housing Authority of Racine County is a related organization.

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 governments operations and are reported with similar funds of the primary government.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (continued)

Related Organization

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. The County cannot impose its will on the housing authority, and the Housing Authority of Racine County cannot create a potential financial benefit or burden on the County. Separately issued financial statements of the Housing Authority may be obtained from the Housing Authority's office, 837 Main Street, Racine, WI 53403

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements 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, 2011**

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 County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, 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 County reports the following major enterprise funds:

The *Ridgewood Healthcare Center Fund* accounts for the activities of the County'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, 2011**

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 County’s programs, that is, for the benefit of the County 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 County, or to other governments, on a cost reimbursement basis.

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

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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.

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 120 days of the end of the current fiscal period, with the exception of revenues related to property taxes which are considered to be available if they are collected within 60 days of the end of the current fiscal period. 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, 2011

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 County.

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

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

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

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

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, 2011 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, 2011**

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, 2011

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. Prepaid items are accounted for using the consumption method.

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. Restricted assets of the General Fund are for the purchase of park lands on the open-space plan.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

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 County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The County reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the County chose to include all such items regardless of their acquisition date or amount. The County 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
Buildings and other improvements	20
infrastructure	30-50
Machinery and equipment	5-10
Vehicles	3-10

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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. Payments for accumulated vacation will be made at rates in effect when the benefits are used or paid out upon separation. For governmental activities, the compensated absences are generally liquidated by the General Fund.

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

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

COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Long-term obligations (continued)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable is shown as an increase or decrease in the liability section of the statement of net assets.

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the related debt issue.

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 County's policy to use restricted resources first, then unrestricted resources, as they are needed.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Equity Classifications (continued)

Fund Financial Statements

In the governmental fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either:

- a. not in spendable form; or
- b. legally or contractually required to be maintained intact.

Restricted fund balance is reported when constraints placed on the use of resources are either:

- a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. imposed by law through constitutional provisions or enabling legislation.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County board.

Assigned fund balance is reported for amounts that are constrained by the County management's intent to be used for specific purposes, but is neither restricted nor committed.

Unassigned fund balance is the residual classification for the General Fund.

When committed, assigned, and unassigned amounts are available for use, it is the government's policy to use committed resources first, then assigned resources, then unassigned resources as they are needed.

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.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (continued)

The County amends the adopted budget for funds encumbered for specific purposes from previous periods. These funds are authorized for specific purposes as restricted by County Board resolution or grantor agency regulation. The County's 2011 adopted budget was increased for the following:

General Fund	\$20,364,682
Human Services Fund	3,843,341
County Road Maintenance Special Revenue Fund	307,740

B. Excess of Expenditures over Appropriations

The following funds had excess expenditures over appropriations which were financed by available fund balance.

Capital Projects Fund	\$21,351
County Bridge Aids	4,656
County Handicapped Education	26,653

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

Wisconsin State Statute Section 66.0602 imposes a levy limit on property tax levies for all Wisconsin Counties for a two year period. The statute limits the increase for 2011 tax levy collected in 2012 to the greater of zero percent plus terminated tax increment districts applied to the 2010 tax levy or the percentage change in equalized value due to new construction plus terminated tax increment districts applied to the 2010 tax levy. The levy limit is applied to both operations and debt service. However, the Statute allows the limit to exclude certain debt service increases, bridge and culvert repair under Section 82.08(2), library payments under Section 43.12, charitable and penal charges and countywide EMS.

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.

D. Deficit Fund Balance

The Fringe Benefits Internal Service Fund had a deficit fund balance of \$141,090 as of December 31, 2011. The County plans to make rate adjustments in future years to cover the deficit.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County had the following deposits and investments as of December 31, 2011.

Petty cash	\$ 7,766
Demand deposits	11,721,124
Corporate Bonds	10,194,571
Asset Backed Securities	6,240,462
Municipal Securities	1,492,693
US Government Agency Securities	3,524,958
Treasury Inflation Protection Securities	3,090,751
US Treasury Bonds and Notes	4,633,746
Local Government Investment Pool	<u>17,984,702</u>
 Total	 <u>\$ 58,890,773</u>
 Reconciliation to the financial statements	
Per statement of net assets	
Unrestricted cash and investments	\$ 53,411,539
Restricted cash and investments	1,257,387
Per statement of fiduciary net assets -	
Agency Funds	<u>4,221,847</u>
Total Cash and Investments	<u>\$ 58,890,773</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, 2011, 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 not been considered for custodial credit risk below.

The County maintains a collateral agreement with its bank. At December 31, 2011 the bank had pledged government treasuries in the amount of \$8,046,862, to secure the County's deposits.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

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, 2011, 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, 2011, the County's following investments were held by the counterparty in the County's name.

	Fair Value
Corporate Bonds	\$ 10,194,571
Asset Backed Securities	6,240,462
Municipal Securities	1,492,693
US Government Agency Securities	3,524,958
Treasury Inflation Protection Securities	3,090,751
US Treasury Bonds and Notes	4,633,746
Total	\$ 29,177,181

The Local Government Investment Pool is not subject to custodial credit risk.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

Interest Rate Risk

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

The following is a summary of investments by maturity:

	<u>Fair Value</u>	<u>12 months or less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
Corporate Bonds	\$ 10,194,571	\$ 4,853,794	\$ 2,466,377	\$ 2,874,400
Asset Backed Securities	6,240,462	12,622	758,769	5,469,071
Municipal Securities	1,492,693	1,151,767	-	340,926
US Government Agency Securities	3,524,958	923,848	1,747,093	854,017
Treasury Inflation Protection Securities	3,090,751	773,034	1,541,319	776,398
US Treasury Bonds and Notes	4,633,746	1,135,668	1,122,673	2,375,405
Local Government Investment Pool	<u>17,984,702</u>	<u>17,984,702</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 47,161,883</u>	<u>\$ 26,835,435</u>	<u>\$ 7,636,231</u>	<u>\$ 12,690,217</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

Credit Risk

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

It is the County's practice to limit its investments in these investment types to the top rating issued by NRSROs. As of December 31, 2011, the County's investments were rated by Moody's Investors Service as follows:

	<u>Fair Value</u>	<u>Average Moody's Rating</u>
Corporate Bonds	\$ 1,595,058	AAA
Corporate Bonds	1,983,075	AA1
Corporate Bonds	1,724,150	AA2
Corporate Bonds	1,635,681	AA3
Corporate Bonds	279,583	A1
Corporate Bonds	1,210,069	A2
Corporate Bonds	15,510	A3
Corporate Bonds	143,072	BAA1
Corporate Bonds	5,123	BAA2
Corporate Bonds	1,603,250	WR
Asset Backed Securities	2,990,505	AAA
Asset Backed Securities	3,187	WR
Asset Backed Securities	3,246,770	Not Rated
Municipals	397,773	AA2
Municipals	293,129	AA3
Municipals	195,478	MIG1
Municipals	606,313	Not Rated
U.S. Government Agency Securities	2,700,778	AAA
U.S. Government Agency Securities	5,035	AA2
U.S. Government Agency Securities	5,084	A1
U.S. Government Agency Securities	814,061	Not Rated
Local Government Investment Pool	17,984,702	Not Rated

Concentration of Credit Risk

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

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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	\$ 44,473,812	\$ -	\$ 6,427,035	\$ -
Taxes - delinquent	13,338,578	-	-	-
Interest and penalties	4,201,171	-	-	-
Investment interest	9,677	-	-	-
Patient accounts	-	-	-	621,746
Due from other governments	2,318,764	4,372,891	-	2,068,382
Loans	550,000	-	-	-
Other	702,691	614,622	-	-
Total receivables	<u>65,594,693</u>	<u>4,987,513</u>	<u>6,427,035</u>	<u>2,690,128</u>
Less allowance for uncollectibles	287,730	-	-	134,953
Net total receivables	<u>\$ 65,306,963</u>	<u>\$ 4,987,513</u>	<u>\$ 6,427,035</u>	<u>\$ 2,555,175</u>

	<u>Golf Courses</u>	<u>Internal Service Funds</u>	<u>Agency Funds</u>	<u>Total</u>
Taxes - current year levy	\$ -	\$ -	\$ -	\$ 50,900,847
Taxes - delinquent	-	-	302,926	13,641,504
Interest and penalties	-	-	-	9,677
Patient accounts	-	-	-	621,746
Due from other governments	-	553,622	-	9,313,659
Loans	-	-	-	550,000
Other	11,000	16,736	473,413	1,818,462
Total receivables	<u>11,000</u>	<u>570,358</u>	<u>776,339</u>	<u>81,057,066</u>
Less allowance for uncollectibles	-	-	-	422,683
Net total receivables	<u>\$ 11,000</u>	<u>\$ 570,358</u>	<u>\$ 776,339</u>	<u>\$ 80,634,383</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

Delinquent Taxes

Delinquent property taxes purchased from other taxing districts are reflected as nonspendable fund balance at year-end. Delinquent property taxes collected within sixty days subsequent to year-end are considered to be available for current expenditures and are therefore excluded from 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, 2011, delinquent property taxes by year levied for governmental fund consists of the following:

	<u>Total</u>	<u>County Levied</u>	<u>County Purchased</u>
Tax certificates			
2010	\$ 5,774,295	\$ 808,401	\$ 4,965,894
2009	2,946,505	412,511	2,533,994
2008	1,158,064	173,710	984,354
2007	478,094	71,714	406,380
2006	151,668	24,267	127,401
2005 and prior	177,832	29,240	148,592
Tax deeds	<u>2,652,120</u>	<u>37,814</u>	<u>2,614,306</u>
 Total Delinquent Property Taxes Receivable	 13,338,578	 1,557,657	 11,780,921
 Less Allowance	 <u>(287,730)</u>	 <u>(34,027)</u>	 <u>(253,703)</u>
 Net Delinquent Property Taxes Receivable	 <u>\$ 13,050,848</u>	 <u>\$ 1,523,630</u>	 <u>\$ 11,527,218</u>

Patient Accounts

Receivables from patients are shown net of an allowance for uncollectible accounts of \$134,953 at December 31, 2011. 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, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

Loan to the Town of Yorkville

Loan to the Wisconsin Women's Business Initiative Corporation

In September 2008, the County loaned the Wisconsin Women's Business Initiative Corporation \$250,000 for lending to business within Racine County for business development purposes. The note is for a 18-year term at 2.0% interest.

Loan to Racine County Board of Drainage Commissioners

In November 2010, the County loaned the Racine County Board of Drainage Commissioners \$300,000 for preparing the specification for the Norway/Dover Drainage District as mandated under the Wisconsin Administrative code. The original note was for a one year term bearing interest at 1.5% and due on November 1, 2011. During 2011 the note was extended for a one-year term at .5% interest, and becomes payable upon November 1, 2012.

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	\$ -	\$ 50,900,847	\$ 50,900,847
Delinquent property taxes receivable	1,523,630	-	1,523,630
Delinquent property taxes interest	4,201,171	-	4,201,171
Other deferred revenue	<u>-</u>	<u>205,384</u>	<u>205,384</u>
 Total deferred/unearned revenue for governmental funds	 <u>\$ 5,724,801</u>	 <u>\$ 51,106,231</u>	 <u>\$ 56,831,032</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2011 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	\$ 21,557,055	\$ -	\$ -	\$ 21,557,055
Construction in progress	<u>1,653,312</u>	<u>2,545,329</u>	<u>(727,924)</u>	<u>3,470,717</u>
Total capital assets, not being depreciated	<u>23,210,367</u>	<u>2,545,329</u>	<u>(727,924)</u>	<u>25,027,772</u>
Capital assets, being depreciated:				
Buildings	65,377,718	882,180	-	66,259,898
Improvements other than buildings	10,251,146	858,118	-	11,109,264
Machinery and equipment	24,235,524	2,346,163	(605,791)	25,975,896
Infrastructure	<u>35,697,376</u>	<u>1,029,858</u>	<u>-</u>	<u>36,727,234</u>
Total capital assets, being depreciated	<u>135,561,764</u>	<u>5,116,319</u>	<u>(605,791)</u>	<u>140,072,292</u>
Less accumulated depreciation for:				
Buildings	(24,505,213)	(1,442,339)	-	(25,947,552)
Improvements other than buildings	(4,802,725)	(415,708)	-	(5,218,433)
Machinery and equipment	(16,695,407)	(1,946,292)	535,252	(18,106,447)
Infrastructure	<u>(10,574,389)</u>	<u>(1,316,437)</u>	<u>-</u>	<u>(11,890,826)</u>
Total accumulated depreciation	<u>(56,577,734)</u>	<u>(5,120,776)</u>	<u>535,252</u>	<u>(61,163,258)</u>
Total capital assets, being depreciated, net	<u>78,984,030</u>	<u>(4,457)</u>	<u>(70,539)</u>	<u>78,909,034</u>
Total capital assets, net	<u>\$ 102,194,397</u>	<u>\$ 2,540,872</u>	<u>\$ (798,463)</u>	<u>\$ 103,936,806</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

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	52,951	112,792	(52,696)	113,047
Total capital assets, not being depreciated	<u>1,184,712</u>	<u>112,792</u>	<u>(52,696)</u>	<u>1,244,808</u>
Capital assets, being depreciated:				
Buildings	12,963,632	358,946	-	13,322,578
Improvements other than buildings	3,893,929	13,500	-	3,907,429
Machinery and equipment	<u>2,205,462</u>	<u>88,403</u>	<u>-</u>	<u>2,293,865</u>
Total capital assets, being depreciated	<u>19,063,023</u>	<u>460,849</u>	<u>-</u>	<u>19,523,872</u>
Less accumulated depreciation for:				
Buildings	(7,109,801)	(459,952)	-	(7,569,753)
Improvements other than buildings	(1,974,180)	(199,506)	-	(2,173,686)
Machinery and equipment	<u>(1,746,272)</u>	<u>(103,874)</u>	<u>-</u>	<u>(1,850,146)</u>
Total accumulated depreciation	<u>(10,830,253)</u>	<u>(763,332)</u>	<u>-</u>	<u>(11,593,585)</u>
Total capital assets, being depreciated, net	<u>8,232,770</u>	<u>(302,483)</u>	<u>-</u>	<u>7,930,287</u>
Total capital assets, net	<u>\$ 9,417,482</u>	<u>\$ (189,691)</u>	<u>\$ (52,696)</u>	<u>\$ 9,175,095</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

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	\$ 497,062
Public safety	1,717,122
Health and social services	451,874
Education and recreation	361,499
Development	497,062
Highways and streets	<u>1,596,157</u>

Total depreciation expenses - governmental activities \$ 5,120,776

Business-type Activities:

Healthcare Center	\$ 540,282
Golf Courses	<u>223,050</u>

Total depreciation expenses - business-type activities \$ 763,332

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2011, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Debt Service Fund	\$ 294,710
	Billable Internal Service Fund	781,513
		<u>1,076,223</u>
Human Services Fund	General Fund	<u>2,652,361</u>
Golf Courses	General Fund	<u>112,455</u>
Ridgewood Healthcare Center	General Fund	<u>873,770</u>
Nonmajor Governmental Funds		
County Road Maintenance	General Fund	4,514,241
County Bridge Aid	General Fund	224,875
County Handicapped Education	General Fund	226,293
Capital Projects Fund	General Fund	2,955,750
Permanent Fund	General Fund	80,000
		<u>8,001,159</u>
Internal Service Funds		
Fringe Benefits Internal Service Fund	General Fund	134,952
Fleet Internal Service Fund	General Fund	3,642,929
		<u>3,777,881</u>
Total due from other funds		15,507,624
Less fund eliminations		<u>(14,521,399)</u>
Total Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 986,225</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, 2011**

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	\$ 1,072,824
	Fringe benefits fund	66,766
	Fleet Internal Service Fund	139,942
	Ridgewood Healthcare Center	296,814
	Human Services Fund	39,158
		<u>1,615,504</u>
Human Services Fund	General Fund	<u>7,507,285</u>
Nonmajor Governmental Funds		
Capital Projects Fund	General Fund	189,335
Capital Projects Fund	Fleet Internal Service Fund	464,633
County Road Maintenance Fund	General Fund	1,970,957
County Road Maintenance Fund	Fleet Internal Service Fund	175,000
County Road Maintenance Fund	Capital Projects Fund	1,656,540
		<u>4,456,465</u>
Ridgewood Healthcare Center	General Fund	411,314
	Debt Service Fund	644,471
	Capital Projects Fund	742,880
	Fleet Internal Service Fund	56,425
		<u>1,855,090</u>
Fleet Internal Service Fund	General Fund	35,570
	Human Services	115,746
	Debt Service Fund	45,189
	Capital Projects Fund	818,700
		<u>1,015,205</u>
Total transfers from other funds		8,942,264
Less fund eliminations		<u>(7,383,988)</u>
Total Interfund Transfers - Government-Wide Statement of Net Assets		<u>\$ 1,558,276</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, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt

Long-term liability activity for the year ended December 31, 2011, 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	\$ 19,987,303	\$ 6,560,000	\$ 3,223,105	\$ 23,324,198	\$ 2,836,981
Bonds payable	16,870,000	-	755,000	16,115,000	785,000
State trust fund loan payable	63,566	-	20,265	43,301	21,172
Taxable bonds payable	<u>9,055,000</u>	<u>-</u>	<u>350,000</u>	<u>8,705,000</u>	<u>400,000</u>
Total general obligation debt	45,975,869	6,560,000	4,348,370	48,187,499	4,043,153
Unamortized					
Bond premium (discount)	123,668	-	(19,915)	103,753	19,915
Loss on refunding	<u>(142,737)</u>	<u>-</u>	<u>15,860</u>	<u>(126,877)</u>	<u>(15,860)</u>
Net general obligation debt	45,956,800	6,560,000	4,344,315	48,164,375	4,047,208
Compensated absences	3,888,162	2,746,700	3,665,539	2,969,323	2,969,323
Net OPEB liability	60,129,063	16,228,094	6,951,765	69,405,392	-
Claims and judgments	<u>3,398,427</u>	<u>2,196,441</u>	<u>1,424,066</u>	<u>4,170,802</u>	<u>1,434,581</u>
Governmental activities					
Long-term liabilities	<u>\$ 113,372,452</u>	<u>\$ 27,731,235</u>	<u>\$ 16,385,685</u>	<u>\$ 124,709,892</u>	<u>\$ 8,451,112</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	\$ 3,010,000	\$ -	\$ 285,000	\$ 2,725,000	\$ 295,000
Notes payable	<u>1,082,697</u>	<u>-</u>	<u>211,897</u>	<u>870,800</u>	<u>238,019</u>
Total general obligation debt	4,092,697	-	496,897	3,595,800	533,019
Unamortized loss on refunding	<u>(80,936)</u>	<u>-</u>	<u>8,094</u>	<u>(72,842)</u>	<u>(8,094)</u>
Net general obligation debt	4,011,761	-	504,991	3,522,958	524,925
Compensated absences	<u>334,247</u>	<u>285,271</u>	<u>300,253</u>	<u>319,265</u>	<u>319,265</u>
Business-type activities					
Long-term liabilities	<u>\$ 4,346,008</u>	<u>\$ 285,271</u>	<u>\$ 805,244</u>	<u>\$ 3,842,223</u>	<u>\$ 844,190</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

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:

Year Ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 4,043,153	\$ 1,901,224	\$ 533,019	\$ 128,868
2013	4,191,543	1,676,316	620,586	107,626
2014	4,412,803	1,534,818	642,195	84,188
2015	4,300,000	1,386,562	335,000	65,530
2016	4,510,000	1,229,805	345,000	52,103
2017-2021	18,820,000	3,676,634	1,120,000	69,653
2022-2026	<u>7,910,000</u>	<u>809,220</u>	<u>-</u>	<u>-</u>
Total	<u>\$48,187,499</u>	<u>\$12,214,579</u>	<u>\$3,595,800</u>	<u>\$ 507,968</u>

The detail of the general obligation debt is as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/11
General Obligation Notes					
Series 2003A	4/15/2003	6/1/2012	2.75%-3.55%	\$ 4,900,000	\$ 685,000
Series 2004	9/15/2004	6/1/2014	3.00%-3.45%	3,520,000	1,500,000
Series 2005	5/1/2005	6/1/2014	3.45%-3.75%	1,700,000	635,000
Series 2006	7/18/2006	3/1/2016	4.35%-5.00%	2,065,000	1,250,000
Series 2007	6/7/2007	6/1/2017	3.875%	2,155,000	1,520,000
Series 2008	6/17/2008	6/1/2018	3.00%-3.75%	3,795,000	2,965,000
Series 2009	9/15/2009	12/1/2019	1.75%-4.65%	4,335,000	4,160,000
Series 2011	4/12/2011	12/1/2020	1.50%-2.75%	6,560,000	6,560,000
Series 2005 General Obligation Refunding Notes	4/15/2005	6/1/2019	3.00%-4.10%	5,935,000	2,725,000
2003 Taxable General Obligation Refunding Bonds	4/15/2003	6/1/2022	4.00% - 5.70%	10,470,000	8,705,000
Board of Comm of Public Lands PL 2003	5/7/2003	3/15/2013	4.50%	184,100	43,299
Series 2006 General Obligation Bond	3/15/2006	6/1/2026	4.00%-4.50%	18,990,000	16,115,000
Series 2010A BAB Taxable General Obligation Notes	8/3/2010	6/1/2017	1.05%-3.75%	2,780,000	2,780,000
Series 2010B RZEB Taxable General Obligation Notes	8/3/2010	6/1/2020	3.50%-4.25%	2,140,000	<u>2,140,000</u>
Total General Obligation debt					51,783,299
Less amount applicable to business-type activities					<u>(3,595,800)</u>
Governmental activities General Obligation debt					<u>\$ 48,187,499</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

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, 2011, the County's debt margin and legal debt limit is calculated as follows:

Equalized Value of Real and Personal Property		\$ 15,041,416,400
		<u>5%</u>
Debt Limit, 5% of Equalized Valuation		752,070,820
Amount of Debt Applicable to Debt Limitation:		
General Obligation debt	\$ 51,783,299	
Less Debt Service Funds	<u>(193,570)</u>	
Total Amount of Debt Applicable to Debt Margin		<u>51,589,729</u>
Legal Debt Margin - (Debt Capacity)		<u>\$ 700,481,091</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Net Assets/Fund Balances

Net Assets

The calculation of net assets as of December 31, 2011 is as follows:

Governmental Activities

Invested in capital assets, net of related debt	
Capital assets, net of accumulated depreciation	\$ 103,936,806
Less: outstanding long term debt (net of debt premiums and discounts)	(48,164,375)
Plus: Noncapital related long term debt	8,075,000
Plus: Unspent bond proceeds	<u>2,684,092</u>
	<u>66,531,523</u>
Restricted:	
For Recreational land acquisition	712,400
For Endowments	
Expendable	215,729
Nonexpendable	<u>264,246</u>
	<u>1,192,375</u>
Unrestricted	<u>(19,530,314)</u>
Total net assets	<u>\$ 48,193,584</u>

Business-Type Activities

Invested in capital assets, net of related debt	
Capital assets, net of accumulated depreciation	\$ 9,175,095
Less: outstanding long term debt (net of debt premiums and discounts)	<u>(3,522,958)</u>
	<u>5,652,137</u>
Unrestricted (deficit)	<u>3,191,955</u>
Total net assets	<u>\$ 8,844,092</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

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, 2011 are as follows:

Nonspendable

Major funds	
General Fund	
Delinquent property taxes	\$ 11,527,218
Prepayments and inventories	779,886
Noncurrent receivables	550,000
	<u>12,857,104</u>
Special Revenue Fund - Human Services Fund	
Prepayments and inventories	<u>34,527</u>
Nonmajor Funds	
Special Revenue Fund - Permanent Fund	
Endowments	<u>264,246</u>
Total reserved fund balance	<u>13,155,877</u>

Restricted

Major funds	
General Fund - Recreational land acquisition	712,400
Nonmajor Funds	
Debt Service Fund - Debt Service	193,570
Special Revenue Fund - Permanent Fund endowments	<u>215,729</u>
Total restricted fund balance	<u>1,121,699</u>

Committed

Major funds	
General Fund - Subsequent year's expenditures	16,956,084
Nonmajor Funds	
Special Revenue Fund - County Road Maintenance	2,262,742
Special Revenue Fund - County Handicapped Education	226,293
Special Revenue Fund - County Bridge Aids	224,875
Capital Projects Fund - Capital Projects	2,801,719
Special Revenue Fund - Permanent Fund	<u>7,257</u>
Total committed fund balance	<u>22,478,970</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Net Assets/Fund Balances (continued)

Fund Balances (continued)

Assigned

Major funds	
Special Revenue Fund - Human Services Fund	2,665,465
Nonmajor Funds	
Special Revenue Fund - County Road Maintenance	2,229,583
Capital Projects Fund - Capital Projects	<u>46,141</u>
Total assigned fund balance	<u>4,941,189</u>

Unassigned

Major funds	
General Fund	<u>17,942,581</u>
Total fund balance	<u>\$ 59,640,316</u>

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.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

IV. OTHER INFORMATION (CONTINUED)

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>2011</u>	<u>2010</u>
Unpaid claims - beginning	\$ 3,398,427	\$ 2,136,348
Incurred claims	2,196,441	2,276,173
Claims paid	<u>(1,424,066)</u>	<u>(1,014,094)</u>
Unpaid claims - ending	<u>\$ 4,170,802</u>	<u>\$ 3,398,427</u>

Medical Self Insurance

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

	<u>2011</u>	<u>2010</u>
Unpaid claims - beginning	\$ 1,624,100	\$ 1,255,698
Incurred claims	16,639,127	16,639,127
Claims paid	<u>(13,480,675)</u>	<u>(16,270,725)</u>
Unpaid claims - ending	<u>\$ 1,954,698</u>	<u>\$ 1,624,100</u>

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans

All eligible County employees participate in the Wisconsin Retirement System (System); a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 1,200 hours a year (600 if hired prior to July 1, 2011) are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of public safety employees. Employees on military leave qualify to receive contributions. 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, 2011 was \$41,447,047 the employer's total payroll was \$42,413,787. The total required contribution for the year ended December 31, 2011 was \$5,710,190 of which 55.8% was entirely financed by the County. Total contributions for the years ending December 31, 2010 and 2009 were \$4,726,487 and \$4,563,881, respectively, equal to the required contributions for each year.

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 through June 30, 2011 are immediately vested. For participants employed after July 1, 2011, 5 years of creditable service is required for eligibility.

The System also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

Plan Description

The county administers a single-employer defined benefit retiree healthcare plan. The plan provides medical insurance benefits to eligible retirees and their families through the County's self-insured group medical insurance plan, which covers both active and retired members. Eligible retirees also receive a post-employment life insurance benefit of \$750 to \$3,000 based on their employee group at the retirement date. Benefit provisions and eligibility requirements are established through collective bargaining agreements and the County's personnel policy and vary based on the retiree's position, years of service, and age at retirement. The plan does not issue a separate financial report.

Membership of the plan consisted of approximately 640 retirees and 710 active plan members at December 31, 2011.

Funding Policy

Contribution requirements are established through collective bargaining agreements and the county's personnel policies, and may be amended only through negotiations between the County and the union, or for non-union employees pursuant to employment policies adopted by the County Board. Eligibility is based on the following criteria: (1) any current retiree who is eligible and has applied for Wisconsin Retirement System annuity; (2) retirees after ratification of the 2005-06 contract need 10 years of service; (3) retirees after January 1, 2015 need 15 years of service; (4) Racine County School Office employees who were put on layoff status on June 20, 2006 will be eligible for benefits based on service on June 30, 2006.

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

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

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

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

Annual required contribution	\$ 16,212,518
Interest on annual required contribution	2,405,162
Adjustment to ARC	(2,389,586)
Contributions made	<u>(6,951,765)</u>
Increase in net OPEB obligation	9,276,329
Net OPEB obligation - beginning of year	<u>60,129,063</u>
 Net OPEB obligation - end of year	 <u>\$ 69,405,392</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for December 31, 2011 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>
12/31/2009	\$ 24,640,353	31.46%	\$ 42,446,659
12/31/2010	25,280,076	30.05%	60,129,063
12/31/2011	16,228,094	42.84%	69,405,392

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

Funded Status and Funding Progress

As of December 31, 2011, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$258,502,255 and the actuarial value of assets was \$0, resulted in an unfunded actuarial accrued liability (UAAL) of \$258,502,255. The covered payroll (annual payroll of active employees covered by the plan was \$42,403,463 and the ratio of the UAAL to the covered payroll was 609.63%.

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>
12/31/2009	12/31/2009	\$ -	\$ 328,478,041	\$ 328,478,041	0.00%	\$ 42,068,718	780.81%
12/31/2010	12/31/2009	-	339,915,227	339,915,227	0.00%	40,777,403	833.59%
12/31/2011	12/31/2011	-	258,502,255	258,502,255	0.00%	42,403,463	609.63%

Actuarial Methods and Assumptions

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4 percent rate of return and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to a rate of 5 percent after five years. Both rates include a 4 percent inflation assumption. The actuarial value of the plan assets was not determined because there were no plan assets as of the date of the actuarial valuation. The plan's unfunded liability is being amortized using the level dollar payment amortization method on an open basis. The remaining amortization period at December 31, 2011 is 30 years.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

Actuarial Methods and Assumptions (continued)

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, 2010 actuarial valuation report were used for the mortality pre-retirement, post-retirement and post-disability, employee turnover and withdrawal, disablement, and retirement rates. One hundred percent (100%) 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.

F. Future Changes in Accounting Principles

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may restate portions of these financial statements in future periods. Listed below are the statements and short summary of the standard's objective.

New accounting standards effective for the December 31, 2012 financial statements include:

GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, issued November 2010. The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement, issued December 2010. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

IV. OTHER INFORMATION (CONTINUED)

F. Future Changes in Accounting Principles (continued)

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, issued June 2011. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 64, Derivative Instruments Application of Hedge Accounting Termination Provisions – and amendment of GASB Statement No. 53, issued June 2011. The objective of this statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

New accounting standards effective for the December 31, 2013 financial statements include:

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, issued March 2012. The objective of this statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66, Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62, issued March 2012. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

**COUNTY OF RACINE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

IV. OTHER INFORMATION (CONTINUED)

G. Subsequent Events

On February 10, 2012 the County purchased all buildings, structures and other real property not including land, of the Reefpoint Marina. The purchase totaled 4,234,731 and was financed by the general obligation marina bonds issued on April 9, 2012.

On April 9, 2012 the County issued taxable general obligation promissory notes in the amount of \$10,200,000 with interest rates of .45% to 3.0%. The notes are being used to finance the County's revolving loan fund and capital projects pursuant to the County's 2012 adopted budget and to refund obligations of the County issued in 2003 and 2004.

On April 9, 2012 the County issued general obligation marina bonds in the amount of \$5,000,000 with interest rates of 2.0% to 3.0%. The tax exempt bonds are being used to finance the acquisition and improvement of the Reefpoint Marina.

On April 9, 2012 the County issued general obligation promissory notes in the amount of \$5,000,000 with interest rates of 1.0% to 2.1%. The tax exempt notes are being used to finance capital projects pursuant to the County's 2012 adopted budget.

Management evaluated subsequent events through July 31, 2012, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2011, but prior to July 31, 2012 that provide additional evidence about conditions that existed at December 31, 2011, have been recognized in the financial statements for the year ended December 31, 2011. Events or transactions that provided evidence about conditions that did not exist at December 31, 2011 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, 2011.

H. Economic Dependency

Medicaid and Medicare funds represent 85% of the operating revenues of Ridgewood Healthcare Center for 2011.

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, 2011**

<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>
Primary Government							
Racine County School Office							
12/31/2008	1/1/2008	\$ -	\$ 17,706,480	\$ 17,706,480	0.00%	\$ -	n/a
12/31/2009	12/31/2009	-	22,588,251	22,588,251	0.00%	-	n/a
12/31/2011	12/31/2011	-	13,895,081	13,895,081	0.00%	-	n/a
Other County Departments							
12/31/2008	1/1/2008	\$ -	\$ 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%	42,068,718	727.12%
12/31/2011	12/31/2011	-	244,607,174	244,607,174	0.00%	42,403,463	576.86%
Total Primary Government							
12/31/2008	1/1/2008	\$ -	\$ 265,224,667	\$ 265,224,667	0.00%	\$ 41,056,371	646.00%
12/31/2009	12/31/2009	-	328,478,041	328,478,041	0.00%	42,068,718	780.81%
12/31/2011	12/31/2011	-	258,502,255	258,502,255	0.00%	42,403,463	609.63%

Decrease in UAAL resulted from a change in assumptions. The 12/31/2011 actuarial valuation utilized a medical care cost trend rate of 10% decreasing to an ultimate rate of 5% over a period of 5 years. The 12/31/2009 actuarial valuation utilized a trend rate of 9.3% decreasing to an ultimate rate of 4.4% over a period of 20 years.

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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, 2011

	Special Revenue		
	County Road Maintenance	County Handicapped Education	County Bridge Aids
ASSETS			
Cash and investments	\$ -	\$ -	\$ -
Receivables:			
Property taxes:			
Current year levy	-	669,010	-
Due from other funds	4,514,241	226,293	224,875
Restricted assets			
Cash and cash equivalents	-	-	-
Total assets	\$ 4,514,241	\$ 895,303	\$ 224,875
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 21,916	\$ -	\$ -
Due to other funds	-	-	-
Deferred revenue:			
Current year property tax levy	-	669,010	-
Total liabilities	21,916	669,010	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	2,262,742	226,293	224,875
Assigned	2,229,583	-	-
Total fund balances	4,492,325	226,293	224,875
Total liabilities and fund balances	\$ 4,514,241	\$ 895,303	\$ 224,875

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 488,280	\$ -	\$ -	\$ 488,280
5,758,025	-	-	6,427,035
-	2,955,750	80,000	8,001,159
-	-	407,232	407,232
<u>\$ 6,246,305</u>	<u>\$ 2,955,750</u>	<u>\$ 487,232</u>	<u>\$ 15,323,706</u>
\$ -	\$ 107,890	\$ -	\$ 129,806
294,710	-	-	294,710
5,758,025	-	-	6,427,035
<u>6,052,735</u>	<u>107,890</u>	<u>-</u>	<u>6,851,551</u>
-	-	264,246	264,246
193,570	-	215,729	409,299
-	2,801,719	7,257	5,522,886
-	46,141	-	2,275,724
<u>193,570</u>	<u>2,847,860</u>	<u>487,232</u>	<u>8,472,155</u>
<u>\$ 6,246,305</u>	<u>\$ 2,955,750</u>	<u>\$ 487,232</u>	<u>\$ 15,323,706</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2011

	Special Revenue		
	County Road Maintenance	County Handicapped Education	County Bridge Aids
REVENUES			
Taxes	\$ -	\$ 682,829	\$ -
Intergovernmental	2,452,170	-	-
Investment income	-	-	-
Miscellaneous	621	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	<u>2,452,791</u>	<u>682,829</u>	<u>-</u>
EXPENDITURES			
Current:			
Education and recreation	-	709,482	-
Highways and streets	5,480,390	-	4,656
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>5,480,390</u>	<u>709,482</u>	<u>4,656</u>
Excess (deficiency) of revenues over expenditures	<u>(3,027,599)</u>	<u>(26,653)</u>	<u>(4,656)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,802,497	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	3,700	-	-
Issuance of general obligation debt	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	<u>3,806,197</u>	<u>-</u>	<u>-</u>
Net change in fund balances	778,598	(26,653)	(4,656)
FUND BALANCES			
Beginning of year	<u>3,713,727</u>	<u>252,946</u>	<u>229,531</u>
End of year	<u>\$ 4,492,325</u>	<u>\$ 226,293</u>	<u>\$ 224,875</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 5,761,091	\$ -	\$ -	\$ 6,443,920
-	-	-	2,452,170
506	-	7,820	8,326
<u>777,658</u>	<u>-</u>	<u>-</u>	<u>778,279</u>
<u>6,539,255</u>	<u>-</u>	<u>7,820</u>	<u>9,682,695</u>
-	-	111	709,593
-	-	-	5,485,046
-	2,449,939	-	2,449,939
4,309,329	-	-	4,309,329
<u>1,708,544</u>	<u>36,450</u>	<u>-</u>	<u>1,744,994</u>
<u>6,017,873</u>	<u>2,486,389</u>	<u>111</u>	<u>14,698,901</u>
<u>521,382</u>	<u>(2,486,389)</u>	<u>7,709</u>	<u>(5,016,206)</u>
-	653,968	-	4,456,465
(689,660)	(4,290,944)	-	(4,980,604)
-	-	-	3,700
<u>-</u>	<u>6,560,000</u>	<u>-</u>	<u>6,560,000</u>
<u>(689,660)</u>	<u>2,923,024</u>	<u>-</u>	<u>6,039,561</u>
(168,278)	436,635	7,709	1,023,355
<u>361,848</u>	<u>2,411,225</u>	<u>479,523</u>	<u>7,448,800</u>
<u>\$ 193,570</u>	<u>\$ 2,847,860</u>	<u>\$ 487,232</u>	<u>\$ 8,472,155</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, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 2,496,200	\$ 2,795,400	\$ 2,452,170	\$ (343,230)
Miscellaneous	-	-	621	621
Total revenues	<u>2,496,200</u>	<u>2,795,400</u>	<u>2,452,791</u>	<u>(342,609)</u>
EXPENDITURES				
Current:				
Highways and streets	<u>6,290,157</u>	<u>6,597,897</u>	<u>5,480,390</u>	<u>1,117,507</u>
Deficiency of revenues over expenditures	(3,793,957)	(3,802,497)	(3,027,599)	774,898
OTHER FINANCING SOURCES (USES)				
Transfers in	3,793,957	3,802,497	3,802,497	-
Sale of capital assets	-	-	3,700	3,700
Total other financing sources (uses)	<u>3,793,957</u>	<u>3,802,497</u>	<u>3,806,197</u>	<u>3,700</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	778,598	<u>\$ 774,898</u>
FUND BALANCES				
Beginning of year			<u>3,713,727</u>	
End of year			<u>\$ 4,492,325</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, 2011**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 682,829	\$ 682,829	\$ 682,829	\$ -
EXPENDITURES				
Current - education and recreation	<u>682,829</u>	<u>682,829</u>	<u>709,482</u>	<u>(26,653)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(26,653)	<u>\$ (26,653)</u>
FUND BALANCES				
Beginning of year			<u>252,946</u>	
End of year			<u>\$ 226,293</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, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current - highways and streets	<u>-</u>	<u>-</u>	<u>4,656</u>	<u>(4,656)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(4,656)</u>	<u>\$ (4,656)</u>
FUND BALANCES				
Beginning of year			<u>229,531</u>	
End of year			<u>\$ 224,875</u>	

**COUNTY OF RACINE, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 5,761,091	\$ 5,761,091	\$ 5,761,091	\$ -
Investment income	-	-	506	506
Miscellaneous	<u>819,468</u>	<u>819,468</u>	<u>777,658</u>	<u>(41,810)</u>
Total revenues	<u>6,580,559</u>	<u>6,580,559</u>	<u>6,539,255</u>	<u>(41,304)</u>
EXPENDITURES				
Debt service:				
Principal retirement	4,309,329	4,309,329	4,309,329	-
Interest and fiscal charges	<u>1,708,570</u>	<u>1,708,570</u>	<u>1,708,544</u>	<u>26</u>
Total expenditures	<u>6,017,899</u>	<u>6,017,899</u>	<u>6,017,873</u>	<u>26</u>
Excess of revenues over expenditures	<u>562,660</u>	<u>562,660</u>	<u>521,382</u>	<u>(41,278)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(689,660)</u>	<u>(689,660)</u>	<u>(689,660)</u>	<u>-</u>
Net change in fund balances	<u>\$ (127,000)</u>	<u>\$ (127,000)</u>	<u>(168,278)</u>	<u>\$ (41,278)</u>
FUND BALANCES				
Beginning of year			<u>361,848</u>	
End of year			<u>\$ 193,570</u>	

**COUNTY OF RACINE, WISCONSIN
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 20,906	\$ -	\$ (20,906)
EXPENDITURES				
Capital outlay	2,726,366	2,429,038	2,449,939	(20,901)
Debt service:				
Interest and fiscal charges	<u>36,000</u>	<u>36,000</u>	<u>36,450</u>	<u>(450)</u>
	<u>2,762,366</u>	<u>2,465,038</u>	<u>2,486,389</u>	<u>(21,351)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,762,366)</u>	<u>(2,444,132)</u>	<u>(2,486,389)</u>	<u>(42,257)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	554,920	653,968	653,968	-
Transfers out	(4,258,230)	(4,274,670)	(4,290,944)	(16,274)
Issuance of general obligation debt	<u>6,465,676</u>	<u>6,559,550</u>	<u>6,560,000</u>	<u>450</u>
Total other financing sources (uses)	<u>2,762,366</u>	<u>2,938,848</u>	<u>2,923,024</u>	<u>(15,824)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 494,716</u>	436,635	<u>\$ (58,081)</u>
FUND BALANCES				
Beginning of year			<u>2,411,225</u>	
End of year			<u>\$ 2,847,860</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, 2011

	Billable	Fringe Benefits	Fleet	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 700
Receivables:				
Other	16,736	-	-	16,736
Due from other governments	553,622	-	-	553,622
Due from other funds	-	134,952	3,642,929	3,777,881
Inventories	458,005	-	336,169	794,174
Total current assets	1,029,063	134,952	3,979,098	5,143,113
Noncurrent assets				
Construction in progress	-	-	39,308	39,308
Capital assets being depreciated:				
Buildings	-	-	4,586,281	4,586,281
Improvements other than buildings	-	-	1,922,803	1,922,803
Machinery and equipment	154,135	-	9,749,511	9,903,646
Less: accumulated depreciation	(125,636)	-	(9,709,061)	(9,834,697)
Total noncurrent assets	28,499	-	6,588,842	6,617,341
Total assets	1,057,562	134,952	10,567,940	11,760,454
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current liabilities				
Accounts payable	102,074	-	124,545	226,619
Accrued liabilities	145,476	276,042	25,280	446,798
Due to other funds	781,513	-	-	781,513
Current maturities on bonds payable	-	-	48,854	48,854
Total current liabilities	1,029,063	276,042	198,679	1,503,784
Noncurrent liabilities				
Long term maturities on bonds payable	-	-	111,586	111,586
Total noncurrent liabilities	-	-	111,586	111,586
Total liabilities	1,029,063	276,042	310,265	1,615,370
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	28,499	-	6,428,402	6,456,901
Unrestricted (deficit)	-	(141,090)	3,829,273	3,688,183
Total net assets (deficit)	\$ 28,499	\$ (141,090)	\$ 10,257,675	\$ 10,145,084

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS (DEFICIT) - INTERNAL SERVICE FUNDS
Year Ended December 31, 2011

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUES				(1) (1,227,672)	
Highway charges and fees	\$ 7,618,523	\$ 2,119,953	\$ 2,386,557	(2) (1,186,214)	\$ 9,711,147
Other	<u>3,575</u>	<u>-</u>	<u>485,635</u>	<u>-</u>	<u>489,210</u>
Total operating revenues	<u>7,622,098</u>	<u>2,119,953</u>	<u>2,872,192</u>	<u>(2,413,886)</u>	<u>10,200,357</u>
OPERATING EXPENSES					
Current				(1) (1,227,672)	
Highway maintenance	7,617,029	2,061,356	1,761,868	(2) (1,186,214)	9,026,367
Depreciation	<u>7,549</u>	<u>-</u>	<u>594,485</u>	<u>-</u>	<u>602,034</u>
Total operating expenses	<u>7,624,578</u>	<u>2,061,356</u>	<u>2,356,353</u>	<u>(2,413,886)</u>	<u>9,628,401</u>
Operating income (loss)	<u>(2,480)</u>	<u>58,597</u>	<u>515,839</u>	<u>-</u>	<u>571,956</u>
NONOPERATING REVENUE (EXPENSE)					
Grants	-	-	3,855	-	3,855
Interest expense	-	-	(6,146)	-	(6,146)
Gain (loss) on disposal of capital assets	<u>-</u>	<u>-</u>	<u>(49,809)</u>	<u>-</u>	<u>(49,809)</u>
Total non-operating expense	<u>-</u>	<u>-</u>	<u>(52,100)</u>	<u>-</u>	<u>(52,100)</u>
Income (loss) before transfers	<u>(2,480)</u>	<u>58,597</u>	<u>463,739</u>	<u>-</u>	<u>624,056</u>
TRANSFERS					
Transfers in	-	-	1,015,205	-	1,015,205
Transfers out	<u>-</u>	<u>(66,766)</u>	<u>(836,000)</u>	<u>-</u>	<u>(902,766)</u>
Total net transfers	<u>-</u>	<u>(66,766)</u>	<u>179,205</u>	<u>-</u>	<u>112,439</u>
Change in net assets	<u>(2,480)</u>	<u>(8,169)</u>	<u>642,944</u>	<u>-</u>	<u>632,295</u>
NET ASSETS (DEFICIT)					
Beginning of year	<u>30,979</u>	<u>(132,921)</u>	<u>9,614,731</u>	<u>-</u>	<u>9,512,789</u>
End of year	<u>\$ 28,499</u>	<u>\$ (141,090)</u>	<u>\$ 10,257,675</u>	<u>\$ -</u>	<u>\$ 10,145,084</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, 2011**

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers and users	\$ 3,743,361	\$ 892,281	\$ 1,685,978	\$ 6,321,620
Received for interfund services provided	3,897,263	1,429,801	1,197,003	6,524,067
Paid for interfund services provided	(2,364,533)	-	-	(2,364,533)
Paid to suppliers	(1,179,506)	-	(1,129,195)	(2,308,701)
Paid to employees	<u>(4,096,585)</u>	<u>(2,255,316)</u>	<u>(730,782)</u>	<u>(7,082,683)</u>
Net cash provided by (used in) operating activities	<u>-</u>	<u>66,766</u>	<u>1,023,004</u>	<u>1,089,770</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	1,015,205	1,015,205
Transfers out	<u>-</u>	<u>(66,766)</u>	<u>(836,000)</u>	<u>(902,766)</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>(66,766)</u>	<u>179,205</u>	<u>112,439</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(1,170,938)	(1,170,938)
Proceeds from sale of capital assets	-	-	10,061	10,061
Grant funds received	-	-	3,855	3,855
Principal paid on capital debt	-	-	(39,041)	(39,041)
Interest paid on capital debt	<u>-</u>	<u>-</u>	<u>(6,146)</u>	<u>(6,146)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,202,209)</u>	<u>(1,202,209)</u>
Net increase in cash and cash equivalents	-	-	-	-
CASH AND CASH EQUIVALENTS				
Beginning of year	<u>700</u>	<u>-</u>	<u>-</u>	<u>700</u>
End of year	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (2,480)	\$ 58,597	\$ 515,839	\$ 571,956
Adjustments to reconcile to net cash provided by (used in) operating activities:				
Depreciation	7,549	-	594,485	602,034
Depreciation transferred to other funds	(5,069)	-	5,069	-
Changes in assets and liabilities:				
Receivables	18,526	-	-	18,526
Due from other funds	-	202,129	9,062	211,191
Inventories	(76,204)	-	(3,342)	(79,546)
Due to other funds	54,422	-	-	54,422
Accounts payable	(38,933)	-	(116,104)	(155,037)
Other liabilities	<u>42,189</u>	<u>(193,960)</u>	<u>17,995</u>	<u>(133,776)</u>
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ 66,766</u>	<u>\$ 1,023,004</u>	<u>\$ 1,089,770</u>

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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, 2011

	Agency Funds				Total Agency Funds
	Court	Unclaimed Funds	Other	Taxes	
ASSETS					
Cash and investments	\$ 4,152,696	\$ -	\$ 69,151	\$ -	\$ 4,221,847
Receivables:					
Delinquent property taxes	-	-	-	302,926	302,926
Other	-	439,135	34,278	-	473,413
	-	439,135	34,278	-	473,413
Total assets	\$ 4,152,696	\$ 439,135	\$ 103,429	\$ 302,926	\$ 4,998,186
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 2,705	\$ -	\$ 2,705
Agency deposits	4,152,696	439,135	100,724	302,926	4,995,481
	4,152,696	439,135	100,724	302,926	4,995,481
Total liabilities	\$ 4,152,696	\$ 439,135	\$ 103,429	\$ 302,926	\$ 4,998,186

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
Year Ended December 31, 2011

	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2011</u>
<u>COURT</u>				
ASSETS				
Cash and investments	\$ 3,788,114	\$ 2,527,935	\$ 2,163,353	\$ 4,152,696
Receivables - other	-	55,750	55,750	-
Total assets	<u>\$ 3,788,114</u>	<u>\$ 2,583,685</u>	<u>\$ 2,219,103</u>	<u>\$ 4,152,696</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Agency deposits	3,788,114	2,527,935	2,163,353	4,152,696
Total liabilities	<u>\$ 3,788,114</u>	<u>\$ 2,527,935</u>	<u>\$ 2,163,353</u>	<u>\$ 4,152,696</u>
<u>UNCLAIMED FUNDS</u>				
ASSETS				
Receivables - other	\$ 375,174	\$ 229,751	\$ 165,790	\$ 439,135
Total assets	<u>\$ 375,174</u>	<u>\$ 229,751</u>	<u>\$ 165,790</u>	<u>\$ 439,135</u>
LIABILITIES				
Accounts payable	\$ 1,376	\$ 11,034	\$ 12,410	\$ -
Agency deposits	373,798	248,751	183,414	439,135
Total liabilities	<u>\$ 375,174</u>	<u>\$ 259,785</u>	<u>\$ 195,824</u>	<u>\$ 439,135</u>
<u>OTHER</u>				
ASSETS				
Cash and investments	\$ 54,259	\$ 261,099	\$ 246,207	\$ 69,151
Receivables - other	60,397	989,277	1,015,396	34,278
Total assets	<u>\$ 114,656</u>	<u>\$ 1,250,376</u>	<u>\$ 1,261,603</u>	<u>\$ 103,429</u>
LIABILITIES				
Accounts payable	\$ 7,886	\$ 676,007	\$ 681,188	\$ 2,705
Agency deposits	106,770	1,204,993	1,211,039	100,724
Total liabilities	<u>\$ 114,656</u>	<u>\$ 1,881,000</u>	<u>\$ 1,892,227</u>	<u>\$ 103,429</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
Year Ended December 31, 2011

	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2011</u>
<u>TAXES</u>				
ASSETS				
Receivables				
Delinquent property taxes	\$ 238,675	\$ 183,847	\$ 119,596	\$ 302,926
Other	1,679	75,875	77,554	-
Total assets	<u>\$ 240,354</u>	<u>\$ 259,722</u>	<u>\$ 197,150</u>	<u>\$ 302,926</u>
LIABILITIES				
Accounts payable	\$ -	\$ 76,128	\$ 76,128	\$ -
Agency deposits	240,354	167,968	105,396	302,926
Total liabilities	<u>\$ 240,354</u>	<u>\$ 244,096</u>	<u>\$ 181,524</u>	<u>\$ 302,926</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 3,842,373	\$ 2,789,034	\$ 2,409,560	\$ 4,221,847
Receivables				
Delinquent property taxes	238,675	183,847	119,596	302,926
Other	437,250	-	-	473,413
Total assets	<u>\$ 4,518,298</u>	<u>\$ 2,972,881</u>	<u>\$ 2,529,156</u>	<u>\$ 4,998,186</u>
LIABILITIES				
Accounts payable	\$ 9,262	\$ 763,169	\$ 769,726	\$ 2,705
Agency deposits	4,509,036	4,149,647	3,663,202	4,995,481
Total liabilities	<u>\$ 4,518,298</u>	<u>\$ 4,912,816</u>	<u>\$ 4,432,928</u>	<u>\$ 4,998,186</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 21,557,055	\$ 21,557,055
Buildings	61,673,617	61,414,434
Improvements other than buildings	9,186,461	8,441,435
Machinery and equipment	16,072,251	14,328,279
Infrastructure	36,727,234	35,697,376
Construction in progress	3,431,409	1,653,312
Total governmental funds capital assets	<u>\$ 148,648,027</u>	<u>\$ 143,091,891</u>
 INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Fund	\$ 109,086,912	\$ 106,931,766
Special Revenue Fund	39,561,115	36,160,125
Total governmental funds capital assets	<u>\$ 148,648,027</u>	<u>\$ 143,091,891</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 OF CHANGES BY FUNCTION AND ACTIVITY
Year Ended December 31, 2011

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets January 1, 2011	Additions	Deductions	Governmental Funds Capital Assets December 31, 2011
General government	\$ 8,815,668	\$ 293,231	\$ 27,576	\$ 9,081,323
Public Safety	50,167,457	1,849,532	179,069	51,837,920
Health and social service	18,013,049	148,059	-	18,161,108
Education and recreation	29,670,342	1,906,905	-	31,577,247
Highway and streets	36,160,125	1,565,059	-	37,725,184
Development	265,250	-	5	265,245
 Total governmental funds capital assets	 <u>\$ 143,091,891</u>	 <u>\$ 5,762,786</u>	 <u>\$ 206,650</u>	 <u>\$ 148,648,027</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 BY FUNCTION AND ACTIVITY
Year Ended December 31, 2011

<u>FUNCTION AND ACTIVITY</u>	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>
General government	\$ 239,770	\$ 868,127	\$ 5,295,605
Public safety	1,532,928	410,240	37,320,149
Health and social services	370,104	-	16,829,546
Education and recreation	18,940,511	7,908,094	2,228,317
Highways and streets	275,092	-	-
Development	198,650	-	-
	<u>\$ 21,557,055</u>	<u>\$ 9,186,461</u>	<u>\$ 61,673,617</u>
Total governmental funds capital assets	<u>\$ 21,557,055</u>	<u>\$ 9,186,461</u>	<u>\$ 61,673,617</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.

Machinery and Equipment	Infrastructure	Construction In Progress	Total
\$ 2,485,029	\$ -	\$ 192,792	\$ 9,081,323
12,574,603	-	-	51,837,920
928,683	-	32,775	18,161,108
-	-	2,500,325	31,577,247
17,341	36,727,234	705,517	37,725,184
66,595	-	-	265,245
<u>\$ 16,072,251</u>	<u>\$ 36,727,234</u>	<u>\$ 3,431,409</u>	<u>\$ 148,648,027</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.

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COUNTY OF RACINE, WISCONSIN
TABLE 1 - NET ASSETS BY COMPONENT
For the fiscal years ended December 31, 2002 through 2011

	<u>2002 (a)</u>	<u>2003</u>	<u>2004</u>	<u>2005 (b)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Governmental Activities</u>										
Invested In capital assets, net of related debt	\$ 45,107,516	\$ 54,939,630	\$ 59,338,370	\$ 60,278,910	\$ 65,978,699	\$ 64,472,210	\$ 62,153,295	\$ 64,602,042	\$ 66,620,814	\$ 66,531,523
Restricted (c)	20,976,035	7,335,731	7,688,037	1,140,931	637,251	847,185	674,038	789,986	479,523	1,192,375
Unrestricted	<u>21,092,880</u>	<u>19,610,269</u>	<u>16,402,119</u>	<u>27,970,518</u>	<u>30,604,900</u>	<u>18,778,037</u>	<u>13,729,575</u>	<u>1,307,970</u>	<u>(10,959,241)</u>	<u>(19,530,314)</u>
Total Governmental Activities Net Assets	<u>\$ 87,176,431</u>	<u>\$ 81,885,630</u>	<u>\$ 83,428,526</u>	<u>\$ 89,390,359</u>	<u>\$ 97,220,850</u>	<u>\$ 84,097,432</u>	<u>\$ 76,556,908</u>	<u>\$ 66,699,998</u>	<u>\$ 56,141,096</u>	<u>\$ 48,193,584</u>
<u>Business-type Activities</u>										
Invested In capital assets, net of related debt	\$ 4,717,374	\$ 4,987,621	\$ 4,836,087	\$ 3,033,759	\$ 4,438,689	\$ 4,907,956	\$ 4,889,408	\$ 5,160,995	\$ 5,547,951	\$ 5,652,137
Restricted (c)	-	162,901	34,992	-	-	-	-	-	-	-
Unrestricted	<u>423,744</u>	<u>(267,655)</u>	<u>(729,479)</u>	<u>1,069,279</u>	<u>(335,682)</u>	<u>(253,174)</u>	<u>165,869</u>	<u>(150,409)</u>	<u>1,078,704</u>	<u>3,191,955</u>
Total Business-type Activities Net Assets	<u>\$ 5,141,118</u>	<u>\$ 4,882,867</u>	<u>\$ 4,141,600</u>	<u>\$ 4,103,038</u>	<u>\$ 4,103,007</u>	<u>\$ 4,654,782</u>	<u>\$ 5,055,277</u>	<u>\$ 5,010,586</u>	<u>\$ 6,626,655</u>	<u>\$ 8,844,092</u>
<u>Primary Government</u>										
Invested In capital assets, net of related debt	\$ 49,824,890	\$ 59,927,251	\$ 64,174,457	\$ 63,312,669	\$ 70,417,388	\$ 69,380,166	\$ 67,042,703	\$ 69,763,037	\$ 72,168,765	\$ 72,183,660
Restricted (c)	20,976,035	7,498,632	7,723,029	1,140,931	637,251	847,185	674,038	789,986	479,523	1,192,375
Unrestricted	<u>21,516,624</u>	<u>19,342,614</u>	<u>15,672,640</u>	<u>29,039,797</u>	<u>30,269,218</u>	<u>18,524,863</u>	<u>13,895,444</u>	<u>1,157,561</u>	<u>(9,880,537)</u>	<u>(16,338,359)</u>
Total Primary Government Net Assets	<u>\$ 92,317,549</u>	<u>\$ 86,768,497</u>	<u>\$ 87,570,126</u>	<u>\$ 93,493,397</u>	<u>\$ 101,323,857</u>	<u>\$ 88,752,214</u>	<u>\$ 81,612,185</u>	<u>\$ 71,710,584</u>	<u>\$ 62,767,751</u>	<u>\$ 57,037,676</u>

Notes:

(a) Effective January 1, 2002, the County retroactively recognized its infrastructure assets. This resulted in a \$9,297,498 increase in governmental activities cappital assets and net assets. Additionally, the County recognized its Wisconsin Retirement System unfunded pension obligation which resulted in an increase in long-term debt payable and a decrease in net assets. This debt was subsequently refunded in 2003 with taxable general obligation notes.

(b) Beginning net assets were restated in 2005 by \$993,886 (increased) to properly report capital assets, net of depreciation in the government-wide statements.

(c) Governmental Activities Restricted Net Assets included an amount for delinquent property taxes in 2002; however no such amount was included in subsequent years.

COUNTY OF RACINE, WISCONSIN
TABLE 2 - CHANGES IN NET ASSETS
For the fiscal years ended December 31, 2002 through 2011
(accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses:										
Governmental activities:										
General government	\$ 18,619,744	\$ 19,377,945	\$ 17,421,627	\$ 15,211,124	\$ 12,835,356	\$ 20,202,595	\$ 19,272,110	\$ 23,739,108	\$ 18,930,580	\$ 18,794,913
Public safety	23,509,350	24,940,588	26,717,076	27,309,261	28,360,700	32,274,541	35,168,361	34,024,144	36,686,794	34,917,243
Health and social services	60,373,068	62,753,342	57,758,929	57,866,026	58,034,621	52,824,076	48,302,880	52,062,294	53,773,095	50,582,992
Education and recreation	12,820,948	16,536,668	17,492,932	18,384,238	17,167,001	10,556,142	5,488,627	5,609,494	6,821,539	6,271,197
Development	1,764,821	5,744,849	1,650,806	1,465,373	1,797,075	1,829,023	1,920,204	2,634,043	2,599,970	4,286,674
Highways and streets	10,996,282	9,618,932	8,245,410	8,581,834	4,185,199	8,446,110	6,130,001	5,482,591	7,478,321	6,845,619
Interest and fiscal charges	584,184	1,079,648	1,210,321	1,156,617	1,728,911	1,932,145	1,948,449	1,869,319	1,809,819	1,815,230
Total governmental activities expenses	<u>128,668,397</u>	<u>140,051,972</u>	<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>	<u>128,100,118</u>	<u>123,513,868</u>
Business-type activities:										
Healthcare Center	14,347,467	13,669,211	14,429,319	15,267,970	15,548,773	15,216,728	15,914,514	15,894,918	16,203,632	16,497,328
Golf Courses	178,084	181,354	175,707	203,698	223,706	204,218	208,672	206,099	232,445	236,165
Total Business-type activities expenses	<u>14,525,551</u>	<u>13,850,565</u>	<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>16,436,077</u>	<u>16,733,493</u>
Total Primary Government expenses	<u>\$ 143,193,948</u>	<u>\$ 153,902,537</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>	<u>\$ 144,536,195</u>	<u>\$ 140,247,361</u>
Program Revenues:										
Governmental activities:										
Charges for services										
General government	\$ 3,582,769	\$ 4,184,249	\$ 4,204,083	\$ 4,788,159	\$ 4,969,487	\$ 5,074,518	\$ 4,195,317	\$ 4,073,569	\$ 4,548,389	\$ 4,689,931
Public safety	2,660,330	2,777,838	2,830,447	2,761,912	2,550,205	2,722,314	2,698,244	2,595,433	2,781,480	2,882,137
Highways and streets	6,625,467	4,950,408	2,981,187	3,645,523	-	-	-	-	-	-
Health and social services	267,324	555,988	651,509	4,073,627	3,369,743	3,170,594	3,156,333	3,311,152	2,548,689	2,222,133
Education and recreation	343,122	491,898	309,923	346,023	247,248	265,734	283,086	276,205	261,235	244,946
Development	379,402	424,236	483,539	365,533	627,803	510,589	387,198	398,080	430,785	428,282
Operating grants and contributions	61,765,253	65,745,697	60,942,625	58,782,167	58,715,473	44,542,997	40,255,813	44,027,768	44,230,307	45,995,983
Capital grants and contributions	2,154,993	1,404,617	2,962,688	1,213,004	239,882	566,080	544,396	105,723	3,724,789	494,122
Total governmental activities program revenues	<u>77,778,660</u>	<u>80,534,931</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>	<u>58,525,674</u>	<u>56,957,534</u>
Business-type activities:										
Charges for services										
Healthcare Center	11,537,523	10,324,352	11,250,771	11,524,630	13,584,355	14,310,480	16,003,467	16,344,857	16,638,538	17,102,754
Golf Courses	365,147	371,084	376,340	405,133	432,681	445,247	402,179	408,822	409,461	289,804
Total business-type activities program revenues	<u>11,902,670</u>	<u>10,695,436</u>	<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>17,047,999</u>	<u>17,392,558</u>
Total primary government program revenues	<u>\$ 89,681,330</u>	<u>\$ 91,230,367</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>	<u>\$ 75,573,673</u>	<u>\$ 74,350,092</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (50,889,737)	\$ (59,517,041)	\$ (55,131,100)	\$ (53,998,525)	\$ (53,389,022)	\$ (71,211,806)	\$ (66,710,245)	\$ (70,633,063)	\$ (69,574,444)	\$ (66,556,334)
Business-type activities	(2,622,881)	(3,155,129)	(2,977,915)	(3,541,905)	(1,755,443)	(665,219)	282,460	652,662	611,922	659,065
Total primary government net expense	<u>\$ (53,512,618)</u>	<u>\$ (62,672,170)</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>	<u>\$ (68,962,522)</u>	<u>\$ (65,897,269)</u>

General Revenues and Other Changes in Net**Assets:**

Governmental activities:

Property taxes	\$ 44,186,200	\$ 47,067,618	\$ 48,700,601	\$ 50,513,512	\$ 52,160,158	\$ 48,167,630	\$ 50,239,596	\$ 51,397,357	\$ 45,887,633	\$ 45,035,318
Grants and contributions not restricted to specific programs	7,822,097	7,191,801	6,737,064	6,419,736	4,557,451	4,067,151	3,955,614	4,050,922	5,739,176	5,761,091
Unrestricted investment earnings	2,731,666	2,721,875	2,339,170	3,436,787	5,465,557	5,716,429	4,020,086	3,288,586	3,879,971	3,840,094
Gain (loss) on sale of capital assets	(92,453)	(69,600)	(255,622)	1,145,335	-	365,033	-	-	3,322,839	4,128,649
Other	-	1,266,421	1,386,259	954,445	791,759	989,139	1,072,460	1,341,935	1,190,070	1,401,946
Transfers	(2,709,943)	(2,911,222)	(2,233,476)	(3,503,343)	(1,755,412)	(1,216,994)	(118,035)	697,353	(1,004,147)	(1,558,276)
Total governmental activities	<u>51,937,567</u>	<u>55,266,893</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>	<u>59,015,542</u>	<u>58,608,822</u>

Business-type activities:

Unrestricted investment earnings	7,802	627	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	(14,971)	3,172	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	96
Transfers	2,709,943	2,911,222	2,233,476	3,503,343	1,755,412	1,216,994	118,035	(697,353)	1,004,147	1,558,276
Total business-type activities	<u>2,717,745</u>	<u>2,896,878</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>1,004,147</u>	<u>1,558,372</u>

Total primary government

\$ 54,655,312	\$ 58,163,771	\$ 58,910,644	\$ 62,469,815	\$ 62,974,925	\$ 59,305,382	\$ 59,287,756	\$ 60,078,800	\$ 60,019,689	\$ 60,167,194
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Change in Net Assets:

Governmental activities	\$ 1,047,830	\$ (4,250,148)	\$ 1,542,896	\$ 4,967,947	\$ 7,830,491	\$ (13,123,418)	\$ (7,540,524)	\$ (9,856,910)	\$ (10,558,902)	\$ (7,947,512)
Business-type activities	94,864	(258,251)	(741,267)	(38,562)	(31)	551,775	400,495	(44,691)	1,616,069	2,217,437
Total primary government	<u>\$ 1,142,694</u>	<u>\$ (4,508,399)</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>	<u>\$ (8,942,833)</u>	<u>\$ (5,730,075)</u>

COUNTY OF RACINE, WISCONSIN
TABLE 3 - FUND BALANCES, GOVERNMENTAL FUNDS
For the fiscal years ended December 31, 2002 through 2011
(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 *</u>
General Fund:										
Reserved	\$ 14,928,856	\$ 11,467,259	\$ 9,574,760	\$ 9,045,064	\$ 8,875,786	\$ 10,128,884	\$ 10,416,277	\$ 11,952,172	\$ 13,866,026	\$ -
Unreserved	15,007,673	13,126,236	14,425,742	19,590,968	25,974,133	28,928,155	32,126,060	33,518,452	31,102,669	-
Nonspendable	-	-	-	-	-	-	-	-	-	12,857,104
Restricted	-	-	-	-	-	-	-	-	-	712,400
Committed	-	-	-	-	-	-	-	-	-	16,956,084
Unassigned	-	-	-	-	-	-	-	-	-	17,942,581
Total General Fund	<u>29,936,529</u>	<u>24,593,495</u>	<u>24,000,502</u>	<u>28,636,032</u>	<u>34,849,919</u>	<u>39,057,039</u>	<u>42,542,337</u>	<u>45,470,624</u>	<u>44,968,695</u>	<u>48,468,169</u>
Other governmental funds:										
Reserved	7,836,436	4,114,592	5,592,069	5,178,685	18,263,175	6,541,413	1,441,945	1,168,148	846,239	-
Unreserved - reported in:										
Special Revenue Funds	5,428,756	7,811,743	6,792,802	6,522,308	6,936,368	1,681,422	1,392,535	3,502,467	5,546,339	-
Capital Projects Fund	-	1,468,304	-	-	(393,605)	(217,852)	2,823,422	2,288,885	2,411,224	-
Debt Service Fund	-	153,133	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	298,773
Restricted	-	-	-	-	-	-	-	-	-	409,299
Committed	-	-	-	-	-	-	-	-	-	5,522,886
Assigned	-	-	-	-	-	-	-	-	-	4,941,189
Total other governmental funds	<u>13,265,192</u>	<u>13,547,772</u>	<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>8,803,802</u>	<u>11,172,147</u>
TOTAL FUND BALANCES	<u>\$ 43,201,721</u>	<u>\$ 38,141,267</u>	<u>\$ 36,385,373</u>	<u>\$ 40,337,025</u>	<u>\$ 59,655,857</u>	<u>\$ 47,062,022</u>	<u>\$ 48,200,239</u>	<u>\$ 52,430,124</u>	<u>\$ 53,772,497</u>	<u>\$ 59,640,316</u>

Notes:

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

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

COUNTY OF RACINE, WISCONSIN
TABLE 4 - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
For the fiscal years ended December 31, 2002 through 2011
(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:										
Property taxes	\$ 43,949,387	\$ 47,087,985	\$ 48,689,938	\$ 50,521,783	\$ 52,388,683	\$ 47,814,884	\$ 49,372,687	\$ 50,512,920	\$ 50,809,305	\$ 50,987,609
Intergovernmental	70,894,521	74,269,191	70,642,376	66,414,907	63,465,636	48,868,770	44,752,263	48,168,013	51,525,420	50,287,457
Fines and fees	9,426,097	6,334,437	6,451,470	8,295,863	8,010,299	8,425,546	7,496,111	7,086,991	7,716,658	7,749,642
Interest income	2,731,666	2,721,875	2,339,170	3,436,787	5,465,557	5,716,429	4,020,086	3,288,586	3,322,839	4,128,649
Miscellaneous	2,599,921	3,472,813	3,414,290	4,993,836	4,582,207	4,598,005	4,248,842	4,902,184	4,237,942	3,714,587
Total revenues	<u>129,601,592</u>	<u>133,886,301</u>	<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>	<u>117,612,164</u>	<u>116,867,944</u>
Expenditures:										
Current:										
General government	17,516,626	19,462,898	17,088,802	14,137,998	12,843,110	16,594,996	16,727,647	19,873,265	14,054,302	15,726,460
Public safety	23,053,710	23,858,590	25,354,520	25,337,146	26,243,408	26,661,328	26,898,723	26,553,273	29,558,926	32,962,956
Health and social services	60,050,963	62,388,001	57,329,215	57,539,864	57,602,914	49,332,379	45,457,526	47,089,952	48,174,139	47,021,339
Education and recreation	14,788,282	16,267,099	17,522,534	18,294,569	17,242,794	10,104,371	5,325,158	4,853,010	4,841,796	4,860,902
Development	1,768,172	5,719,504	1,647,223	1,446,227	1,614,327	1,792,841	1,924,273	1,715,127	1,647,439	2,725,818
Highways and streets	9,213,539	5,452,607	8,608,249	6,404,777	5,059,296	6,186,109	6,882,353	6,527,834	8,679,234	6,114,854
Capital outlay	5,985,289	5,293,050	1,940,820	2,251,832	8,274,477	13,395,339	3,485,171	1,971,496	3,180,033	4,426,458
Debt service principal	2,371,851	2,448,191	2,791,021	2,425,562	2,736,264	3,186,996	3,500,870	3,953,246	4,383,769	4,309,329
Debt service interest and fiscal charges	365,315	1,275,958	1,333,039	1,190,233	1,690,231	1,950,674	1,922,244	1,891,891	1,835,396	1,744,994
Total Expenditures	<u>135,113,747</u>	<u>142,165,898</u>	<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>116,355,034</u>	<u>119,893,110</u>
Excess (deficiency) of revenues over expenditures	<u>(5,512,155)</u>	<u>(8,279,597)</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>	<u>1,257,130</u>	<u>(3,025,166)</u>
Other Financing Sources (Uses):										
Transfers in	4,640,322	6,341,722	6,013,500	14,828,422	6,143,681	6,051,557	15,510,168	19,960,104	15,805,719	13,579,254
Transfers out	(7,350,265)	(8,294,153)	(7,306,437)	(18,514,437)	(8,621,002)	(7,396,603)	(15,970,514)	(19,601,539)	(16,640,476)	(15,249,969)
Proceeds from refunding	6,070,392	10,325,141	-	2,570,000	-	-	-	-	-	-
Payment to refunding bond escrow agent	(6,000,000)	(10,340,000)	-	(2,707,037)	-	-	-	-	-	-
Proceeds from bond anticipation notes	-	10,365,023	-	-	-	-	-	-	-	-
Unfunded pension liability payment	-	(10,338,148)	-	-	-	-	-	-	-	-
Proceeds from general obligation debt	8,471,663	5,159,558	1,121,471	1,700,000	21,035,000	2,155,000	3,795,000	4,335,000	4,920,000	6,560,000
Premium on debt issued	-	-	-	30,885	152,954	12,578	37,539	6,720	-	-
Sale of property	-	-	493,750	1,408,850	2,638	365,033	-	-	-	3,700
Total other financing sources (uses)	<u>5,832,112</u>	<u>3,219,143</u>	<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>4,085,243</u>	<u>4,892,985</u>
Net change in fund balances	\$ 319,957	\$ (5,060,454)	\$ (1,755,895)	\$ 3,951,651	\$ 19,318,832	\$ (12,593,834)	\$ 1,138,217	\$ 4,229,885	\$ 5,342,373	\$ 1,867,819
Capitalized expenditures	\$ 9,397,255	\$ 6,444,785	\$ 6,253,263	\$ 3,635,014	\$ 10,010,427	\$ 14,065,117	\$ 6,201,900	\$ 6,269,347	\$ 7,112,732	\$ 5,762,786
Debt Service as a percent of noncapital expenditures (a)	2.18%	2.74%	3.24%	2.88%	3.59%	4.46%	5.12%	5.40%	5.69%	5.30%

Notes:

(a) Calculation excludes refunding debt payments.

COUNTY OF RACINE, WISCONSIN
TABLE 5 - EQUALIZED ASSESSED VALUE OF TAXABLE PROPERTY
For the fiscal years ended December 31, 2002 through 2011

Fiscal Year Ended	Real Estate				Personal Property	Total Taxable Equalized Assessed Value (EAV) (a)	Total Tax Increment District (TID)	EAV less TID (b)	All County Tax Levies	Tax Rate (c)
	Residential	Commercial	Manufacturing	Other						
2002	7,116,305,900	1,436,185,600	425,826,700	254,484,200	284,686,500	9,517,488,900	263,448,850	9,254,040,050	44,052,480	4.76%
2003	7,660,598,000	1,566,293,600	421,083,300	245,686,400	276,820,100	10,170,481,400	300,962,450	9,869,518,950	47,002,288	4.76%
2004	8,317,871,000	1,695,346,900	424,718,000	247,413,100	280,431,800	10,965,780,800	353,433,450	10,612,347,350	48,734,107	4.59%
2005	9,313,273,900	1,841,675,400	413,211,300	247,466,300	265,855,100	12,081,482,000	408,211,950	11,673,270,050	50,587,305	4.33%
2006	10,342,347,400	2,013,188,200	401,915,000	261,339,200	279,288,400	13,298,078,200	460,466,850	12,837,611,350	52,325,744	4.08%
2007	11,576,805,100	2,250,820,300	396,831,300	303,303,100	302,606,000	14,830,365,800	521,705,250	14,308,660,550	48,031,096	3.36%
2008	12,227,187,600	2,439,988,800	407,206,600	322,729,100	262,648,000	15,659,760,100	615,893,650	15,043,866,450	49,601,148	3.30%
2009	12,433,153,100	2,496,865,500	419,076,500	324,484,200	319,128,000	15,992,707,300	665,102,950	15,327,604,350	50,786,176	3.31%
2010	12,188,406,100	2,640,032,600	432,763,300	323,520,400	327,325,300	15,912,047,700	695,535,250	15,216,512,450	50,939,395	3.35%
2011	11,538,790,000	2,632,552,300	421,179,200	309,215,900	326,895,200	15,228,632,600	630,778,050	14,597,854,550	50,831,349	3.48%

Source: State of Wisconsin Department of Revenue Equalization Division

Notes:

- (a) Due to varying assessment ratios to full market value used in municipalities, all underlying tax districts such as counties are required to use equalized value for levying property taxes. Equalized value, defined by State Statute, is the legal market value determined by the Wisconsin Department of Revenue Bureau of Property Tax. The equalized value determined as of January 1st is used to apportion the tax levied in November and collected in the subsequent year. This table reports the equalized value with the corresponding fiscal year in which the tax is collected.
- (b) Equalized Values are reduced by Tax Increment District value increments for apportioning the County levy.
- (c) 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.

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
S.C. Johnson & Son, Inc.	\$ 118,727,500	1	0.83%	\$ 101,194,337	1	1.13%
Racine Joint Venture (Regency Mall)	114,200,900	2	0.80%	64,813,311	2	0.72%
Centerpoint Properties Trust	57,853,700	3	0.41%			
Continental 63 & 81 Fund LLC (Wal-Mart Stores)	54,222,600	4	0.38%	17,209,432	8	0.19%
All Saints Health Care	41,602,900	5	0.29%	20,844,722	6	0.23%
CNH Global	30,492,800	6	0.21%	35,063,686	3	0.39%
Aurora Medical Group	30,017,800	7	0.21%	24,340,610	4	0.27%
Inland Southeast Mt. Pleasant (Village Center Mall)	27,619,300	8	0.19%			
Bombardier Motor Corp Of America	19,666,900	9	0.14%	22,296,843	5	0.25%
High Ridge Improvements	16,400,000	10	0.11%	16,522,930	10	0.18%
American National Insurance f/k/a Shoemaker Prop.				17,651,186	7	0.20%
Rudd Lighting				16,626,058	9	0.19%
Totals	\$ 510,804,400		3.58%	\$ 336,563,115		3.75%
 Total County Taxable Assessed Value	 \$ 14,270,959,350			 \$ 8,969,353,550		

Note:

Source: Racine County Treasurer's Office

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

COUNTY OF RACINE, WISCONSIN
TABLE 7 - PROPERTY TAX LEVIES AND COLLECTIONS,
For the fiscal years ended December 31, 2002 through 2011

Tax Levy Year	Collection Year Ended Dec 31,	Total Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2002	2003	224,378,130	220,982,455	98.49%	3,365,967	224,348,422	99.99%
2003	2004	237,081,237	233,608,111	98.54%	3,443,884	237,051,996	99.99%
2004	2005	251,899,220	248,228,565	98.54%	3,636,924	251,865,489	99.99%
2005	2006	256,705,260	253,017,402	98.56%	3,614,101	256,631,503	99.97%
2006	2007	277,621,142	272,518,975	98.16%	4,911,669	277,430,644	99.93%
2007	2008	290,222,257	283,893,148	97.82%	5,736,117	289,629,265	99.80%
2008	2009	305,393,464	298,193,484	97.64%	5,746,319	303,939,803	99.52%
2009	2010	318,063,935	310,315,192	97.56%	4,079,464	314,394,655	98.85%
2010	2011	322,502,719	315,464,185	97.82%	-	315,464,185	97.82%

Source: Racine County Treasurer's Office

Notes:

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

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

COUNTY OF RACINE, WISCONSIN
TABLE 8 - PROPERTY TAX RATES
For the fiscal years ended December 31, 2002 through 2011
(rates per \$1,000 of equalized value)

	2011 Equalized Value (f)	Levy Year									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County direct rates											
General	\$ 14,418,248,850	\$ 4.02	\$ 3.81	\$ 3.56	\$ 3.39	\$ 3.15	\$ 3.09	\$ 3.11	\$ 3.16	\$ 3.29	\$ 3.33
County Schools (a)	4,783,719,386	1.82	1.83	1.81	1.64	0.17	0.20	0.20	0.15	0.14	0.14
Bridge Aids (b)	3,545,555,600	0.01	0.05	0.05	0.01	-	-	0.02	0.01	-	0.01
Lakeshore Library (c)	9,035,624,300	0.28	0.30	0.29	0.26	0.24	0.23	0.22	0.22	0.24	0.24
Total County direct rates		6.13	5.99	5.71	5.30	3.56	3.52	3.55	3.54	3.67	3.72
Overlapping rates (g)											
Cities:											
Burlington (d)	\$ 691,848,600	\$ 22.17	\$ 22.00	\$ 22.99	\$ 22.85	\$ 18.97	\$ 20.54	\$ 20.56	\$ 20.58	\$ 20.95	\$ 21.77
Racine	3,637,256,950	26.00	24.21	24.22	22.26	21.27	21.11	21.96	22.80	23.84	25.47
Towns:											
Burlington	\$ 688,139,400	\$17.70-18.86	\$17.21-18.31	\$16.66-17.85	\$15.37-16.45	\$14.52-15.42	\$14.60-15.47	\$14.29-15.14	\$14.77-15.63	\$16.76-17.71	\$17.09-18.04
Dover	331,439,900	17.59-20.63	17.06-19.49	15.73-17.71	14.53-18.14	13.69-17.38	13.97-16.37	13.77-16.65	14.21-17.36	15.91-19.64	16.48-18.90
Norway	834,216,800	17.34-20.52	15.64-18.89	16.12-18.24	13.99-17.36	13.93-15.73	14.05-15.63	14.10-16.56	14.56-16.96	15.38-18.28	15.41-17.68
Raymond	453,202,900	17.63-20.39	16.89-19.80	16.66-18.19	15.30-17.29	15.45-16.61	14.95-15.65	14.83-16.52	15.88-16.81	18.27-19.54	18.30-18.64
Rochester (e)	n/a	14.59-18.65	15.83-18.46	15.66-18.24	14.49-16.97	13.81-16.68	13.90-15.78	n/a	n/a	n/a	n/a
Waterford	744,160,500	19.17-19.21	16.48-18.33	17.60-18.02	15.09-16.58	16.35-16.83	16.10-16.39	16.02-16.12	16.55-16.92	17.30-17.50	17.57-17.80
Yorkville	494,396,100	17.60-19.30	16.86-18.47	16.62-17.88	15.29-16.58	15.40-16.42	15.46-16.42	15.90-16.82	16.26-17.14	18.24-19.47	17.56-18.55
Villages:											
Caledonia	\$ 2,150,984,600	\$18.01-21.62	\$17.52-20.47	\$17.38-19.76	\$15.99-18.01	\$15.08-16.83	\$14.68-16.30	\$15.18-16.77	\$16.19-17.46	\$16.20-17.51	\$16.80-18.12
Elmwood Park	40,391,100	16.24	16.13	15.99	15.00	14.33	14.07	14.79	15.74	16.08	16.11
Mount Pleasant	2,646,329,300	17.92-19.50	17.84-19.30	17.90-18.77	16.65-17.42	16.10-16.81	15.09-15.72	15.85-16.46	16.82-17.12	18.49-18.81	20.61-20.96
North Bay	36,130,000	19.82	19.14	17.84	16.59	15.81	14.50	17.43	17.43	21.83	22.04
Rochester	344,527,600	18.20	17.27	16.71	15.87	15.73	15.71	13.48-15.44	14.14-16.56	15.14-17.61	15.40-17.79
Sturtevant	355,367,500	18.86	20.15	19.62	18.18	17.52	17.40	17.99	18.82	20.82	21.08
Union Grove	301,369,600	22.86	21.23	20.40	19.11	20.14	19.00	19.33	20.16	21.88	21.53
Waterford	407,621,800	23.39	22.14	21.56	19.63	19.65	19.51	19.73	21.40	21.46	21.76
Wind Point	260,866,200	17.67	17.32	16.58	15.03	14.41	13.84	14.30	15.24	16.32	16.98

Notes:

Source: Racine County budgets and Racine County Real Property Lister

(a) County Schools levy excludes the following taxing districts: Villages of Caledonia, Elmwood Park, Mt Pleasant, North Bay, Sturtevant, and Wind Point and the City of Racine.

(b) Bridge Aids levy is assessed only on the Town taxing districts.

(c) Lakeshore Library levy excludes the following tax districts who have a separate library: Villages of Rochester, Union Grove, and Waterford and Cities of Burlington and Racine.

(d) The City of Burlington is located in both Racine and Walworth Counties. The above rates are for Racine County portion only.

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

(f) Due to varying assessment ratios to full market used by the municipalities, all underlying tax districts, such as counties, are required to use equalized value for levying property taxes. Equalized

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

COUNTY OF RACINE, WISCONSIN
TABLE 9 - RATIOS OF OUTSTANDING DEBT BY TYPE,
For the fiscal years ended December 31, 2002 through 2011

Fiscal Year	Equalized Valuation (a)	Governmental Activities			Business-type Activities	Total Primary Government Debt	Percent of Debt to Equalized Valuation	Percent of Debt to Personal Income (b)	Debt Per Capita (b)
		Tax Exempt General Obligation Bonds/Notes	State Trust Fund Loans	Taxable General Obligation Bonds	General Obligation Bonds/Notes				
2002	9,517,488,900	16,523,191	-	-	4,710,000	21,233,191	0.22%	0.37%	111.49
2003	10,170,481,400	19,150,000	184,100	10,295,000	4,520,000	34,149,100	0.34%	0.57%	178.72 (c)
2004	10,965,780,800	17,921,517	168,079	10,225,000	6,368,483	34,683,079	0.32%	0.56%	180.78
2005	12,081,482,000	17,401,517	152,517	10,120,000	6,328,483	34,002,517	0.28%	0.54%	175.96
2006	13,298,078,200	35,785,480	136,255	9,985,000	5,794,401	51,701,136	0.39%	0.78%	265.71 (c)
2007	14,830,365,800	34,938,060	119,261	9,815,000	5,371,724	50,244,045	0.34%	0.72%	257.51
2008	15,659,760,100	35,424,637	101,515	9,605,000	5,030,364	50,161,516	0.32%	0.69%	255.51
2009	15,992,707,300	36,039,116	82,958	9,355,000	4,570,885	50,047,959	0.31%	0.69%	254.85
2010	15,912,047,700	36,857,303	63,566	9,055,000	4,092,697	50,068,566	0.31%	0.68%	256.23
2011	15,228,632,600	39,439,198	43,301	8,705,000	3,595,800	51,783,299	0.34%	*	265.25

Notes:

(a) Value as reduced by tax incremental financing districts

(b) Calculated using population and personal income data found in table 11.

(c) Increases due to issuance of debt for payment of unfunded WRS liability in 2003 and jail expansion project in 2006.

* Information not available

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

COUNTY OF RACINE, WISCONSIN
TABLE 10 - RATIOS OF GENERAL BONDED DEBT
For the fiscal years ended December 31, 2002 through 2011

Fiscal Year	Total General Bonded Debt (Table 9)	Reserved Funds for Debt Service	Net General Bonded Debt	Total Taxable Equalized Value (Table 5)	Net General Bonded Debt to Equalized Property Value	Population (Table 12)	Net General Bonded Debt Per Capita
2002	21,233,191	1,571,881	19,661,310	9,517,488,900	0.21%	190,446	103.24
2003	34,149,100	1,395,994	32,753,106	10,170,481,400	0.32%	191,079	171.41 (a)
2004	34,683,079	1,152,801	33,530,278	10,965,780,800	0.31%	191,853	174.77
2005	34,002,517	827,195	33,175,322	12,081,482,000	0.27%	193,239	171.68
2006	51,701,136	694,569	51,006,567	13,298,078,200	0.38%	194,580	262.14 (a)
2007	50,244,045	702,099	49,541,946	14,830,365,800	0.33%	195,113	253.91
2008	50,161,516	528,930	49,632,586	15,659,760,100	0.32%	196,321	252.81
2009	50,047,959	682,567	49,365,392	15,992,707,300	0.31%	196,380	251.38
2010	50,068,566	361,848	49,706,718	15,912,047,700	0.31%	195,408	254.37
2011	51,783,299	193,570	51,589,729	15,228,632,600	0.34%	195,225	264.26

Notes:

(a) Increases due to issuance of debt for payment of unfunded WRS liability in 2003 and jail expansion project in 2006.

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

COUNTY OF RACINE, WISCONSIN
TABLE 11 - LEGAL DEBT MARGIN INFORMATION,
For the fiscal years ended December 31, 2002 through 2011

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Equalized Value of Taxable Property (a)	\$ <u>10,170,481,400</u>	\$ <u>10,965,780,800</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>15,228,632,600</u>	\$ <u>15,041,416,400</u>
Wisconsin Statutory Debt Limit (b)	\$ <u>508,524,070</u>	\$ <u>548,289,040</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>	\$ <u>761,431,630</u>	\$ <u>752,070,820</u>
Debt Applicable to Limit:										
General Obligation Debt (c)	\$ 21,233,191	\$ 34,149,100	\$ 34,683,079	\$ 34,002,517	\$ 51,701,136	\$ 50,244,045	\$ 50,161,516	\$ 50,047,959	\$ 50,068,566	\$ 51,783,299
Less Debt Service Funds	<u>(1,571,881)</u>	<u>(1,395,994)</u>	<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>(361,848)</u>	<u>(193,570)</u>
Total net debt applicable to limit	\$ <u>19,661,310</u>	\$ <u>32,753,106</u>	\$ <u>33,530,278</u>	\$ <u>33,175,322</u>	\$ <u>51,006,567</u>	\$ <u>49,541,946</u>	\$ <u>49,632,586</u>	\$ <u>49,365,392</u>	\$ <u>49,706,718</u>	\$ <u>51,589,729</u>
Legal Debt Margin	\$ <u>488,862,760</u>	\$ <u>515,535,934</u>	\$ <u>570,543,822</u>	\$ <u>631,728,588</u>	\$ <u>690,511,723</u>	\$ <u>733,446,059</u>	\$ <u>750,002,779</u>	\$ <u>746,236,993</u>	\$ <u>711,724,912</u>	\$ <u>700,481,091</u>
Debt Capacity Used	3.9%	6.0%	5.6%	5.0%	6.9%	6.3%	6.2%	6.2%	6.5%	6.9%

Notes:

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

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

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

COUNTY OF RACINE
TABLE 12 - DEMOGRAPHIC AND ECONOMIC STATISTICS
For the fiscal years ended December 31, 2002 through 2011

Year	Population (a)	Per Capita	Personal	School Enrollment (c)		Unemployment Rates (d)	
		Personal Income (b)	Income (a) x (b)	Public Schools	Private Schools	Racine County	State of Wisconsin
2002	190,446	30,541	5,816,411,286	21,265	4,732	6.4%	5.3%
2003	191,079	31,323	5,985,167,517	21,565	4,393	7.0%	5.6%
2004	191,853	32,447	6,225,054,291	21,457	4,533	6.0%	5.0%
2005	193,239	32,458	6,272,151,462	21,244	4,348	6.0%	4.8%
2006	194,580	34,078	6,630,897,240	21,175	4,262	5.7%	4.7%
2007	195,113	35,763	6,977,826,219	21,696	4,134	6.0%	4.8%
2008	196,321	37,012	7,266,232,852	21,552	4,159	5.7%	4.8%
2009	196,380	36,708	7,208,717,040	21,172	4,058	10.1%	8.5%
2010	195,408	37,530	7,333,662,240	21,276	3,737	10.0%	8.3%
2011	195,225	*	*	21,100	3,617	8.9%	7.5%

* Information not available

Sources:

- (a) Wisconsin Department of Administration Population & Housing Estimates (2001-2009) and U.S. Census Bureau (2010-2011)
- (b) Wisconsin Department of Workforce Development, Office of Economic Advisors
- (c) Wisconsin Department of Public Instruction
- (d) Wisconsin Department of Workforce Development, Office of Economic Advisors - Estimates

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

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
All Saints Medical Center, Inc. (formerly St. Luke's Hospital, Inc.)	1000+	1	500-999	5
Racine Unified School District	1000+	2		
S C Johnson & Son Inc.	1000+	3	1000+	3
CNH America LLC (formerly Case Corp.)	1000+	4	1000+	2
City of Racine	1000+	5		
Wal-Mart Associates, Inc.	500-999	7		
Emerson Electric Co	500-999	6	1000+	4
County of Racine	500-999	8		
Department of Corrections	500-999	9		
Aurora Health Care of Southern Lake	500-999	10	500-999	9
St. Mary's Medical Center, Inc.			1000+	1
Georgia Auction Service, Inc.			500-999	7
Modine Mfg Co			500-999	8
Bombardier Motor Corp. of America			500-999	6
Johnson Diversy, Inc			500-999	10

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

COUNTY OF RACINE, WISCONSIN
TABLE 14 - COUNTY GOVERNMENT FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2002 through 2011

Function / Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government:										
Building & Facilities Management Division	17.80	17.80	14.80	14.00	13.00	12.00	12.00	12.32	12.38	12.38
Clerk of Circuit Court Office	38.00	38.00	37.00	36.00	40.00	39.00	39.00	40.00	40.00	38.63
Corporation Counsel	5.60	5.60	5.60	5.60	5.60	5.30	5.30	5.30	5.20	5.10
County Board	24.00	24.00	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.00
County Clerk	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	4.00
County Executive	2.40	2.40	2.25	2.25	2.25	2.25	2.25	2.18	2.18	2.18
County Treasurer	4.50	4.50	4.50	4.50	4.50	4.50	4.50	5.00	5.00	5.00
District Attorney's Office	12.50	12.50	11.50	11.00	10.00	10.70	10.70	10.90	10.05	10.05
Finance Department (d)	11.50	11.50	11.00	10.00	12.50	12.50	12.75	10.03	9.38	11.83
Human Resources Department	8.00	8.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00
Information Systems Department	21.00	21.00	12.00	8.00	8.00	8.00	6.00	6.00	6.00	7.00
Land Information Office	1.40	1.40	1.40	1.60	1.60	1.80	2.60	0.25	0.25	0.32
Medical Examiner Office	2.50	2.70	2.08	2.08	2.08	2.08	2.08	1.83	1.83	1.83
Print & Mail Division	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Real Property Lister Division	3.00	3.00	3.00	2.50	2.44	2.44	2.44	2.44	2.44	2.44
Register of Deeds	6.00	7.00	7.00	6.50	6.44	6.44	6.44	6.44	5.44	5.44
UW - Extension	3.00	3.00	2.00	2.00	2.00	0.70	-	-	-	-
Veterans Service Office	2.50	2.50	1.50	1.50	1.50	2.00	2.00	2.00	2.00	2.00
Victim Witness Office	7.50	7.50	7.00	7.50	6.50	6.45	6.45	6.45	6.45	7.33
Public Safety:										
Dispatch (c)	18.00	18.00	46.00	47.00	47.00	19.00	20.00	19.00	19.00	-
Communications Department (c)										51.00
Emergency Management Office	1.50	1.30	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Jail and Jail Alternatives	127.50	123.00	114.00	114.00	114.00	123.00	123.00	116.08	106.08	106.08
Sheriff's Office	137.00	140.00	135.70	132.70	119.70	119.65	120.65	121.43	117.15	120.70
Health and Social Services:										
Child Support Division	49.00	47.00	44.00	38.00	36.50	32.30	29.30	28.30	28.28	28.25
Family Court Commissioner (e)	10.00	10.00	7.00	6.00	5.00	5.00	5.00	5.00	5.00	-
Human Services Division	228.50	227.00	217.50	211.50	205.00	199.50	196.50	196.50	182.00	182.00
Ridgewood Care Center	167.20	168.20	166.20	157.53	149.33	148.90	149.90	149.08	148.08	148.08
Education and Recreation:										
County Schools Office (b)	182.70	184.50	190.50	188.80	-	-	-	-	-	-
Parks Division (a)	32.70	32.10	28.90	28.90	29.30	28.90	27.57	27.57	14.65	14.65
Development:										
Land Conservation Division	2.40	2.00	2.00	3.00	3.50	3.50	3.50	3.50	3.50	3.50
Planning and Development	13.20	13.60	11.60	9.40	8.90	8.70	7.90	6.25	6.25	6.18
Highways and Streets - Highway Division (a)	78.90	77.90	74.90	73.90	73.41	71.27	71.54	72.54	66.48	66.48
	1,225.80	1,223.00	1,198.30	1,163.13	946.41	912.25	904.74	891.74	840.41	873.78

Notes:

Source - County's annual budget report

(a) Includes Seasonal FTE's

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

(c) 2004 through 2006 included 28 FTE positions in the event of a joint dispatch.

In 2011, Dispatch ceased to exist and a Communication Dept was created to run the Racine County Joint Dispatch.

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

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

COUNTY OF RACINE, WISCONSIN
TABLE 15 - OPERATING INDICATORS BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2002 through 2011

Function / Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety - Sheriff										
Calls for Service (a)	65,515	63,965	63,941	64,839	59,372	57,376	49,761	49,116	55,999	55,220
Arrests (e)	23,361	22,501	25,024	25,685	21,486	21,985	20,804	22,145	29,118	31,085
Sworn Personnel	204	201	192	180	167	165	150	141	134	136
Average Daily Jail Population	633	636	645	671	683	723	788	790	702	688
Jail Bookings	10,931	10,859	10,680	10,829	11,650	11,624	11,118	10,642	9,710	9,676
Health and Social services - Human Service										
Economic Support Services										
Unduplicated Caseload (b)	9,192	11,270	12,001	12,529	12,828	13,851	15,997	16,027	15,308	17,942
Youth Apprehended (d)	1,126	1,057	1,033	1,050	891	799	720	630	1,224	1,350
Mental Health Inpatient Days	4,759	4,804	3,101	3,929	3,577	3,914	4,059	4,135	4,239	3,527
WDC Job Center of Wisconsin listings	7,741	2,655	6,137	9,768	7,808	8,555	2,870	1,527	4,107	4,089
Ridgewood Healthcare Center										
Admissions	160	187	206	373	341	334	476	425	474	449
Discharges	161	190	206	372	354	346	478	420	485	448
Education and Recreation - Parks**										
Daily Cliffside Park Camping Reservations	7,378	6,943	5,094	5,623	6,218	6,603	6,921	5,881	4,534	5,247
Daily Fischer & Quarry Lake Entrance (c)	49,248	27,911	20,128	32,563	25,989	25,970	20,256	17,545	23,444	22,420
Daily Fischer & Eagle Boat Launches	7,520	7,303	6,792	8,191	6,584	6,478	6,469	4,771	5,193	4,905
Highways and Streets - Lane Miles Maintained										
County	330	330	330	330	330	340	340	340	340	340
State	550	550	685	685	685	600	677	677	677	677

** estimated

(a) Calls for service have steadily decreased due to a reduction in sworn personnel.

(b) Unduplicated counts are based on the December 1st CARES reports.

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

(d) 2010 includes 642 Juveniles which in previous years were paid for by the State

(e) 2010 arrests increased significantly primarily due to the following factors: number made a significant jump. This is due primarily to two factors: 1) the I-94 COP workgroup was fully staffed all year and had a record year of arrests and 2) the County assigned two deputies to a new traffic enforcement group who also made many arrests.

COUNTY OF RACINE, WISCONSIN
TABLE 16 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2002 through 2011

<u>Function / Program</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>	<u>2010</u>	<u>2011</u>
Public safety										
Sheriff Patrol Units	25	25	25	25	25	25	25	27	27	28
Sheriff Stations	2	2	2	2	2	2	2	2	2	2
Jail Beds (a)	650	650	650	650	650	860	876	876	876	876
Health and social services										
Licensed Beds at Ridgewood Healthcare Center	210	210	210	210	210	210	210	210	210	210
Education and recreation										
Park Acreage:										
Developed	1,827	1,827	1,827	1,827	1,827	1,832	1,832	1832	1,835	1835
Undeveloped	749	755	772	794	837	841	841	841	862	862
Bike Trails Miles	29	29	33	34	34	34	34	39	39	39
Parkways Acres	656	656	673	694	694	694	694	695	715	716
Highways and streets										
Vehicles and Pieces of Equipment	700	700	700	700	700	672	623	620	576	578
Centerline Miles of County Roads	330	330	330	330	330	165	170	170	170	170
Bridges	16	16	16	16	16	16	16	16	16	16
Dams	6	6	6	6	6	6	6	6	6	6

Notes:

(a) Increase of jail beds in 2007 is due to the jail expansion project that was completed during 2007.

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