

County of Racine, Wisconsin Comprehensive Annual Financial Report For the year ended December 31, 2014



Photo by Bob Kunath

COUNTY OF RACINE, WISCONSIN
Racine, Wisconsin

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
For the year ended December 31, 2014

Prepared by:
Racine County Finance Department

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INTRODUCTORY SECTION

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COUNTY OF RACINE
FINANCE DEPARTMENT
Margaret M. Hamers, Acting Finance Director
730 Wisconsin Avenue
Racine, Wisconsin 53404
262-636-3706 Toll Free 800-242-4202

July 30, 2015

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Racine for the fiscal year ended December 31, 2014. To satisfy requirements of state law and Racine County Ordinance, this report has been prepared by the County's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

The County is required to undergo an annual single audit in 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 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 2014 unemployment rate of 5.8% is lower than the 7.6% reported at the end of 2013. 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 2015 budget includes plans for

- Several road projects including Highways K, G, and W. In total the County will resurface or reconstruct 12.35 miles of roads.
- Continued expansion of the county's revolving loan fund provided by Racine County Economic Development Corporation to advance economic development of the entire county.
- Several park improvements including upgrades to the campground water system at Cliffside Park and a canoe/kayak launch at Case Eagle Park.
- Adding additional security cameras at the courthouse and Law Enforcement Center to ensure the safety of staff, visitors, and inmates.

Relevant Financial Policies

Fund Balances. The County has adopted a Fund Balance Policy whereby it will maintain as "working capital" a balance between 16% and 25% of the next fiscal year's budgeted operating expenditures in the General Fund unrestricted fund balances. This "working capital" will be used to help cover revenue shortfalls or unanticipated expenditures and will be available to stabilize the tax rate and provide liquidity. This balance will allow the County to maintain a prudent level of financial reserves to guard against potential service disruptions. This policy has enabled the County to maintain strong fund balances which contribute to its continued Aa1 rating by Moody's. The County has been in compliance with its fund balance policy since 2006.

Debt Administration. The County continues to have low-cost access to the debt markets to finance various capital projects. It is management's objective to adequately plan to meet the County's ongoing demands for essential capital improvement projects and equipment without overburdening taxpayers with general obligation bonds payable from tax levies. As of December 31, 2014, the County was rated Aa1, stable by Moody's Investor Services on its long-term debt. Our recent rating, issued May 2015, remained unchanged. The County's ability to maintain a high rating has reduced our cost to issue debt. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such ratings may be obtained from such rating agency. The County has furnished to the rating agencies certain information and materials relating to the bonds and the County, including certain information and materials that have not been included in this financial report.

Risk management. Racine County is self funded for most risks, including workers' compensation, employee and retiree medical expenses, automobile, and public liability. As part of this comprehensive plan, the County maintains stop-loss coverage and accumulates resources in the general fund to meet potential losses. In 2014, the County shifted eligible post-65 retirees (and eligible post-65 spouses) to a fully insured healthcare plan to manage rising healthcare costs. In addition, various control techniques, including employee accident prevention training and frequent meeting with insurance advisors, 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.

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, 2013. In order to be awarded a Certificate of Achievement, the county must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Margaret M. Hamers". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

Margaret M. Hamers
Acting Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

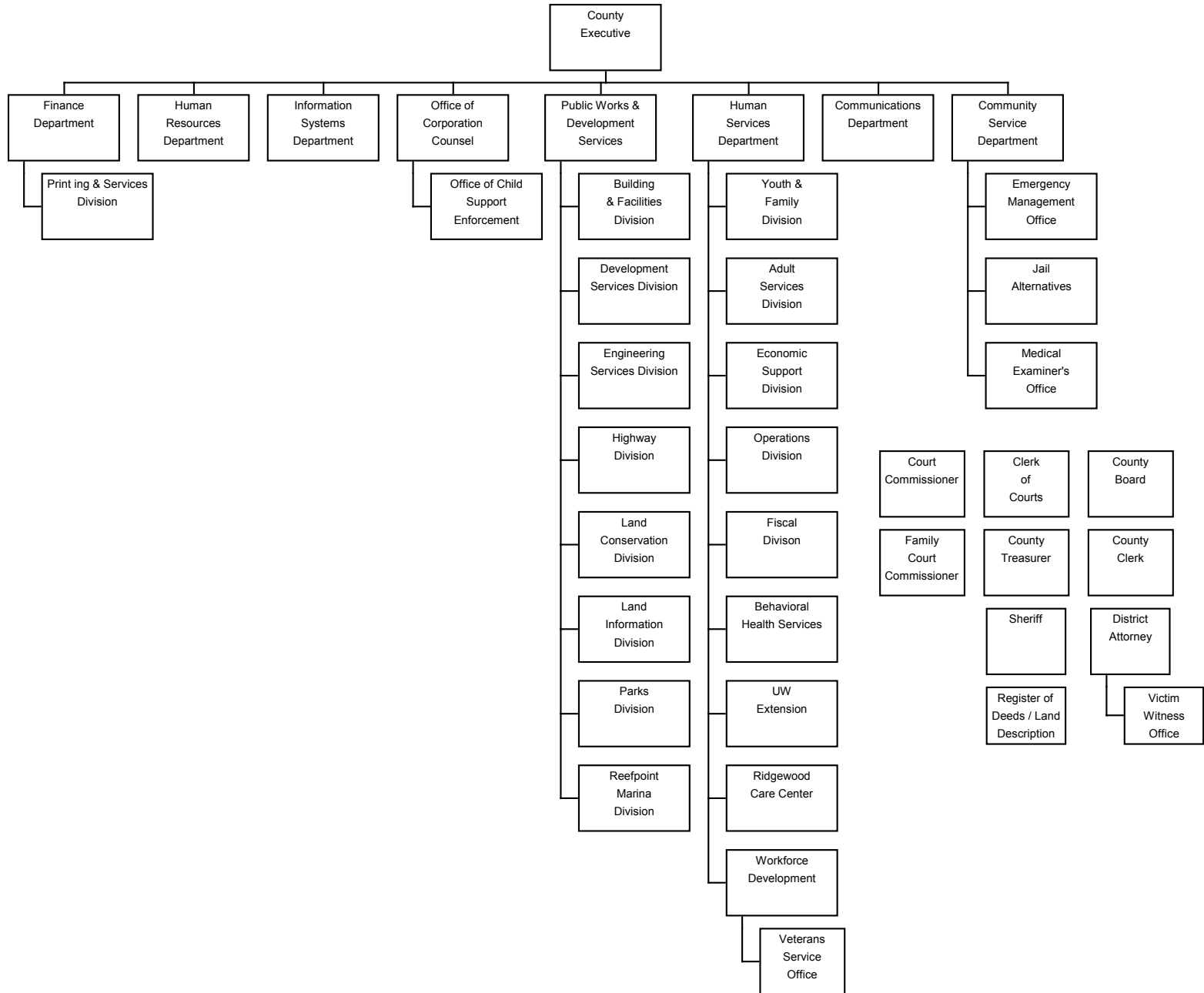
Presented to

**County of Racine
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



COUNTY OF RACINE PRINCIPAL OFFICIALS

County Elected Officials

County Executive.....Jonathan J. Delagrave
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 – Scott Maier
6 – Q.A. Shakoor, II	17 – Robert D. Grove
7 – Russell A. Clark, Chairman	18 – Gilbert Bakke
8 – Brett A. Nielsen	19 – Jeff Halbach
9 – Pamela Zenner-Richards, Vice Chair	20 – Thomas Pringle
10 – Janet Bernberg	21 – Mike Dawson
11 – Robert N. Miller	

Appointed Officials *

Acting Finance Director.....Margaret M. Hamers
Corporation Counsel.....Jonathan F. Lehman
Human Resources Director.....Karen E. Galbraith
Information Systems Director.....{currently vacant}
Human Services Director.....Hope M. Otto
Public Works & Development Services Director.....Julie A. Anderson
Communications Director.....Jacqueline R. Bratz
Chief of Staff.....{currently vacant}

* - at the time this report is issued

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Racine, Wisconsin, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County of Racine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the County of Racine's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County of Racine's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Racine, Wisconsin, as of December 31, 2014 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Human Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Racine's basic financial statements. The supplementary information such as combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information such as combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the County of Racine's basic financial statements for the year ended December 31, 2013, which are not presented with the accompanying financial statements. In our report dated June 26, 2014, we expressed an opinion that the 2013 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2013, as a whole.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Racine's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the County of Racine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering the County of Racine's internal control over financial reporting and compliance.

Baker Tilly Vinchow Krause, LLP

Milwaukee, Wisconsin
July 30, 2015

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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

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, 2014. 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 2014 year by \$53.9 million (*net position*), \$45.3 million in governmental activities and \$8.6 million in business-type activities. The unrestricted net position of the County was a negative \$24.8 million.
- The County's total net position increased by \$2.2 million which was mostly due to governmental activities.
- On December 31, 2014, the County's governmental funds maintained a combined fund balances of \$60 million. Approximately \$14.1 million, or 23.4% of the combined fund balance, is available for spending at the government's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Racine County include general government, public safety, health and social services, education and recreation, development, and highways and streets. The business-type activities of Racine County include Ridgewood healthcare center, Reefpoint Marina, behavioral health services and golf courses.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

The government-wide financial statements can be found on pages 22-23 of this report.

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and 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 24-29 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Racine County uses enterprise funds to account for its Ridgewood healthcare center, Reefpoint Marina, behavioral health services, and golf courses. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Racine County uses internal service funds for its central fleet and the highway department. Because these services predominantly benefit governmental rather than business-type

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

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, Reefpoint Marina, and Behavioral Health Services are considered to be major funds of the County. The County's three internal service funds are combined into a single aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in combining statements in the supplemental information section of this report.

The proprietary fund financial statements can be found on pages 30-33 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 34 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 35-71 of this report.

Required supplementary information provides information on the funding progress of the County's other postemployment benefits (OPEB) on page 72 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 73-85 of this report. Detailed schedules of capital assets used in operation of governmental funds can be found on pages 86-88 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Racine County, assets exceeded liabilities by \$53.9 million at the close of the most recent fiscal year.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

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

Restricted net position represents resources that are subject to external restrictions (grant terms, laws or regulations, etc.) on how they may be used. Unrestricted net position represents the remaining amount of net position that is neither related to capital assets nor restricted for specific purposes.

RACINE COUNTY'S NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 134,408	\$ 133,129	\$ 5,551	\$ 4,926	\$ 139,959	\$ 138,055
Capital assets	115,396	111,998	12,748	13,550	128,144	125,548
Total assets	<u>249,804</u>	<u>245,127</u>	<u>18,299</u>	<u>18,476</u>	<u>268,103</u>	<u>263,603</u>
Deferred outflows	1,334	1,461	112	131	1,446	1,592
Long-term liabilities	142,698	141,442	7,164	7,778	149,862	149,220
Other liabilities	12,010	10,742	2,618	2,236	14,628	12,978
Total liabilities	<u>154,708</u>	<u>152,184</u>	<u>9,782</u>	<u>10,014</u>	<u>164,490</u>	<u>162,198</u>
Deferred inflows	51,138	51,294	-	-	51,138	51,294
Net position						
Net investment in capital assets	71,577	70,794	6,142	6,416	77,719	77,210
Restricted	958	1,894	-	-	958	1,894
Unrestricted (deficit)	<u>(27,243)</u>	<u>(29,578)</u>	<u>2,487</u>	<u>2,177</u>	<u>(24,756)</u>	<u>(27,401)</u>
Total net position	<u>\$ 45,292</u>	<u>\$ 43,110</u>	<u>\$ 8,629</u>	<u>\$ 8,593</u>	<u>\$ 53,921</u>	<u>\$ 51,703</u>

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

As shown in the following table, the County's net position increased by \$2.2 million during the year.

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

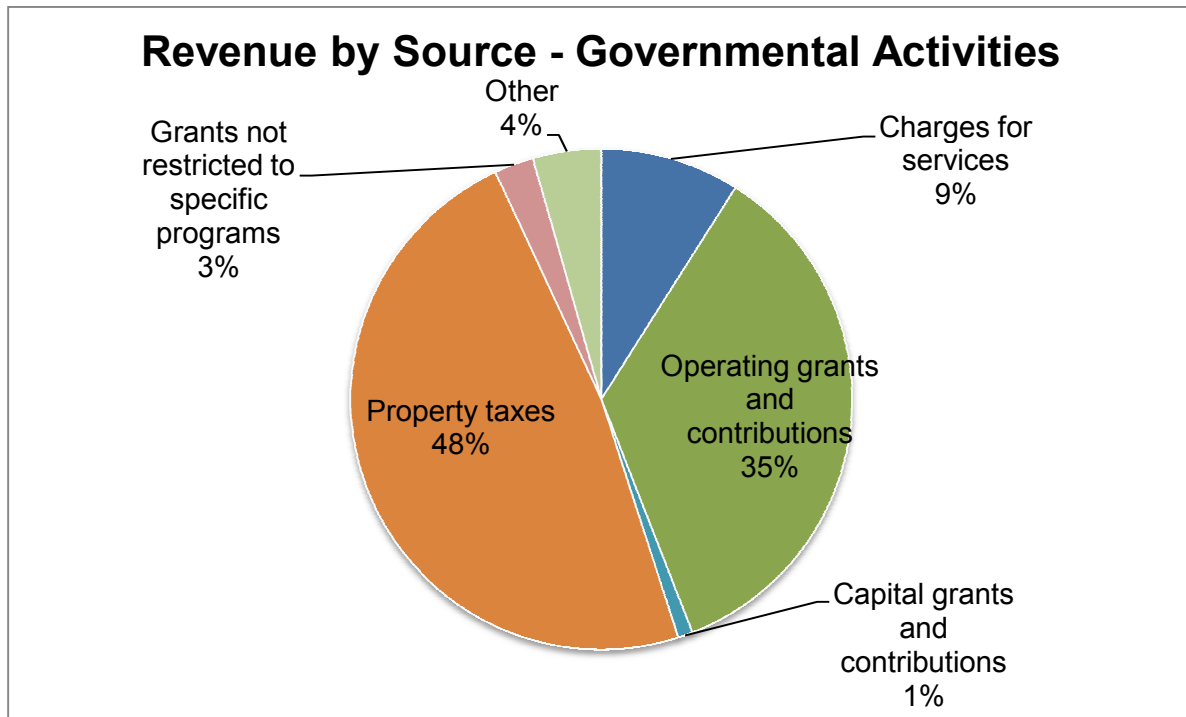
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	\$ 9,711	\$ 9,849	\$ 26,709	\$ 25,712	\$ 36,420	\$ 35,561
Operating grants and contributions	37,989	36,635	-	-	37,989	36,635
Capital grants and contributions	1,034	1,637	-	-	1,034	1,637
General Revenues:						
Property taxes	51,962	51,378	-	-	51,962	51,378
Grants not restricted to specific programs	2,745	2,758	-	-	2,745	2,758
Other	4,757	4,694	-	-	4,757	4,694
Total revenues	<u>108,198</u>	<u>106,951</u>	<u>26,709</u>	<u>25,712</u>	<u>134,907</u>	<u>132,663</u>
Expenses:						
General government	12,976	13,558	-	-	12,976	13,558
Public safety	38,394	37,878	-	-	38,394	37,878
Health and social services	38,695	37,251	-	-	38,695	37,251
Education and recreation	5,855	5,581	-	-	5,855	5,581
Development	2,440	2,354	-	-	2,440	2,354
Highways and streets	5,477	5,233	-	-	5,477	5,233
Interest and fiscal charges	1,445	1,673	-	-	1,445	1,673
Healthcare Center	-	-	16,575	16,355	16,575	16,355
Reefpoint Marina	-	-	1,407	1,249	1,407	1,249
Behavioral Health Services	-	-	9,118	8,675	9,118	8,675
Golf Courses	-	-	307	288	307	288
Total expenses	<u>105,282</u>	<u>103,528</u>	<u>27,407</u>	<u>26,567</u>	<u>132,689</u>	<u>130,095</u>
Change in net position before transfers	2,916	3,423	(698)	(855)	2,218	2,568
Transfers	(734)	(217)	734	217	-	-
Change in net position	2,182	3,206	36	(638)	2,218	2,568
Net position - beginning	43,110	39,904	8,593	9,231	51,703	49,135
Net position - ending	<u>\$ 45,292</u>	<u>\$ 43,110</u>	<u>\$ 8,629</u>	<u>\$ 8,593</u>	<u>\$ 53,921</u>	<u>\$ 51,703</u>

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

Governmental Activities

Revenues for the County's governmental activities were \$108.2 million for fiscal year 2014, representing an increase of \$1.2 million, or 1.2%, over fiscal year 2013. The increase is primarily due to increased operating grants from the state for various programs including new grants for the County's alcohol and drug treatment court and a domestic violence prevention program.

Sources of revenue for 2014 as a percentage of total revenues are shown below. Property taxes constitute the largest revenue source and remain consistent with the prior year.



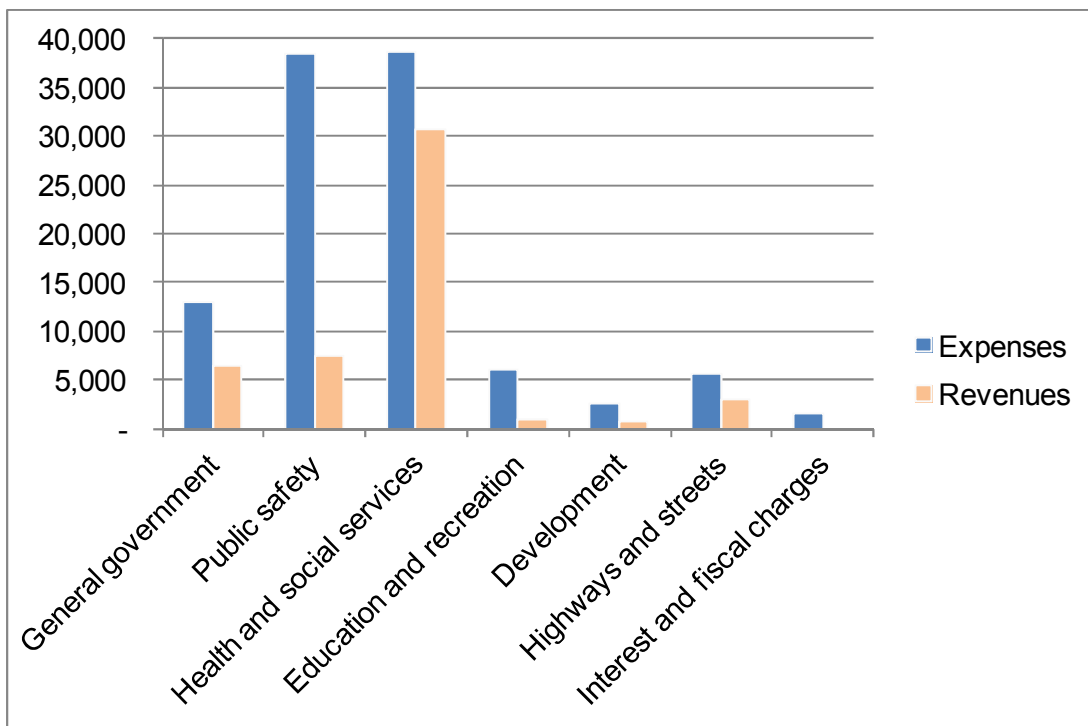
The County's expenses for governmental activities increased by \$1.8 million, or 1.7%. The majority of the increase is additional program services related to the new grants and in the human services department.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

Governmental activities expenses exceeded program revenues by \$56.5 million. When general revenues (which include such items as property taxes, investment earnings, and grants and contributions not restricted to specific programs) are included, total revenues exceed expenses by \$2.2 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

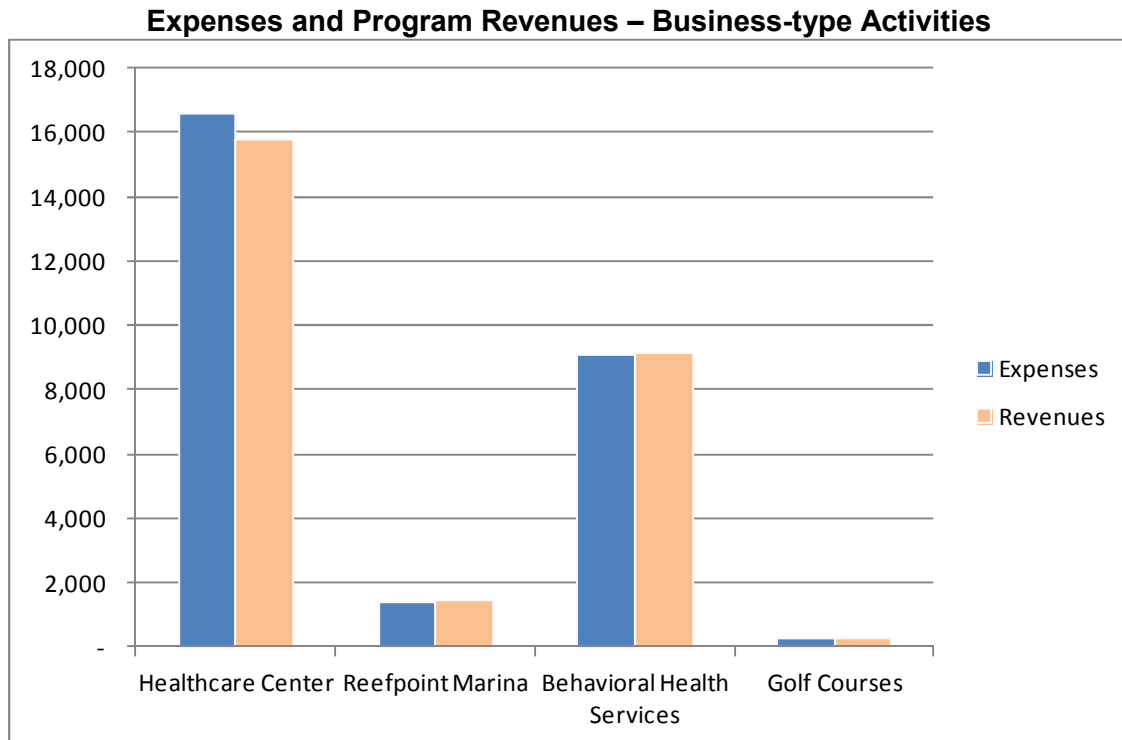


Business-type Activities

Business-type activities (before transfers) decreased the County's net position by \$0.7 million which is comparable to prior years. The healthcare center had a loss of approximately \$0.8 million and has posted losses since 2012 for a variety of reasons including allowable billing rates and maintaining mandatory staffing levels with fewer positions than budgeted (fill with overtime).

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

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



Financial Analysis of the County's Funds

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

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

At the end of the current fiscal year, Racine County's governmental funds reported combined fund balances of \$60.2 million, an increase of \$0.2 million from the prior year. Approximately 23.4% of this amount, \$14.1 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.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

General fund. The General fund is the chief operating fund of the County. At year end, total fund balance of the General fund was \$48.3 million, of which 30%, or \$14.1 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 20.3% of total General fund expenditures and transfers out, while total fund balance represents 69.6% of that same amount.

Fund balance of the County's General fund increased \$0.2 million from the prior year.

Human Services fund. The Human Services special revenue fund accounts for the revenue and expenditures associated with the Human Services Department. Human Services is the largest department within the County's government and receives a wide variety of intergovernmental revenues and a transfer of tax levy from the General Fund. The Human Services fund balance of \$4.2 million is mostly committed for specific purposes (an immaterial amount is nonspendable for prepaid expenses). Fund balance of the Human Services department increased by \$1.0 million from the prior year.

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

The unrestricted net positions of Ridgewood Healthcare Center and Behavioral Health Services remained consistent with the prior year. The Reefpoint Marina had unrestricted net position of \$0.4 million, a 42% increase over the prior year.

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

General Fund Budgetary Highlights

Differences between the original and the final amended budget resulted in a \$14 million decrease in appropriations. Carryovers and encumbrances to the next fiscal year counted for nearly all of the decrease.

Actual revenues of the general fund were \$0.5 million over the final amended budget. Intergovernmental revenues were \$0.2 million over budget due to the additional grants and miscellaneous revenues were \$0.2 million over budget due to copier pool revenues which are not budgeted.

Actual expenditures of the general fund were \$1.3 million over the final amended budget. Of that amount, \$0.5 million was a budgeted use of reserves and the remaining was due to capital outlay expenditures using funds that carried over from the prior year.

The General Fund budgetary comparison is presented on page 28 of this report.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

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, 2014, amounted to \$128.1 million (net of accumulated depreciation), an increase of \$2.6 million from the prior year. 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:

- Technology upgrades including a new timekeeping system for \$0.4 million and a VOIP phone system for \$0.9 million.
- Investment in the backup joint dispatch center of \$0.5 million.
- Ongoing Sheriff squad replacements of \$0.4 million.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 21,812	\$ 21,812	\$ 1,132	\$ 1,132	\$ 22,944	\$ 22,944
Construction in progress	4,529	3,399	77	66	4,606	3,465
Buildings	38,592	39,153	8,693	9,224	47,285	48,377
Improvements	11,563	12,169	2,348	2,629	13,911	14,798
Machinery and equipment	8,983	6,689	498	499	9,481	7,188
Infrastructure	29,917	28,776	-	-	29,917	28,776
Total	\$ 115,396	\$ 111,998	\$ 12,748	\$ 13,550	\$ 128,144	\$ 125,548

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

Long-term debt. At the end of the current fiscal year, Racine County had \$59.6 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, 2014 the County's total amount applicable to the debt margin (outstanding notes less debt service fund balance) is \$58.9 million, which is significantly below the legal limit of \$681.2 million. The net debt per capita remained consistent with the previous year at \$305 at year end.

During the year, the County issued \$5.1 million of general obligation promissory notes to finance the cost of capital improvements within the County. The County also issued \$1.0 million of taxable general obligation debt to finance the County's revolving loan fund.

**COUNTY OF RACINE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2014**

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, and the County's responsibility for the delinquent taxes of all municipalities within its borders.

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

Next Year's Budget and Rates

The 2015 general county-wide levy, which covers operations and debt services, remained virtually the same as 2014. Other tax levies of the County include bridge aids, library, and county schools.

Overall, the County's total tax levy decreased by 0.3% or \$156,000 from the prior year. Total revenues and expenses for the next budget are consistent with 2014 levels.

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 POSITION
December 31, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 50,392,362	\$ 964,186	\$ 51,356,548
Receivables (net of allowance for uncollectibles)	80,671,319	4,262,564	84,933,883
Internal balances	(18,866)	18,866	-
Inventories	877,538	144,718	1,022,256
Prepaid items	1,319,927	62,940	1,382,867
Restricted cash and investments	1,165,491	98,037	1,263,528
Capital assets not being depreciated:			
Land	21,812,455	1,131,762	22,944,217
Construction in progress	4,529,486	76,811	4,606,297
Capital assets being depreciated, net	89,054,082	11,539,276	100,593,358
Total assets	249,803,794	18,299,160	268,102,954
DEFERRED OUTFLOWS			
Deferred charges from debt refunding	1,333,699	112,251	1,445,950
LIABILITIES			
Accounts payable and other current liabilities	11,281,393	1,708,633	12,990,026
Accrued interest payable	557,444	18,192	575,636
Due to other governments	110,189	-	110,189
Grant and user fee advances	61,192	842,928	904,120
Deposits	-	47,927	47,927
Noncurrent liabilities:			
Due within one year	9,566,380	934,780	10,501,160
Due in more than one year	133,131,663	6,229,409	139,361,072
Total liabilities	154,708,261	9,781,869	164,490,130
DEFERRED INFLOWS			
Unearned revenues	51,137,533	-	51,137,533
NET POSITION			
Net investment in capital assets	71,576,675	6,141,920	77,718,595
Restricted for:			
Recreational land acquisition	308,297	-	308,297
Expendable Endowments	175,550	-	175,550
Nonexpendable Endowments	264,246	-	264,246
Debt Service	209,568	-	209,568
Unrestricted (deficit)	(27,242,637)	2,487,622	(24,755,015)
Total net position	\$ 45,291,699	\$ 8,629,542	\$ 53,921,241

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:							
General government	\$ 12,976,425	\$ 4,396,263	\$ 1,994,025	\$ -	\$ (6,586,137)	\$ -	\$ (6,586,137)
Public safety	38,393,851	2,937,753	4,476,779	-	(30,979,319)	-	(30,979,319)
Health and social services	38,694,931	1,879,599	28,744,039	-	(8,071,293)	-	(8,071,293)
Education and recreation	5,855,624	272,202	73,018	380,736	(5,129,668)	-	(5,129,668)
Development	2,440,431	225,470	452,030	-	(1,762,931)	-	(1,762,931)
Highways and streets	5,477,378	-	2,249,618	653,318	(2,574,442)	-	(2,574,442)
Interest and fiscal charges	1,445,188	-	-	-	(1,445,188)	-	(1,445,188)
Total governmental activities	<u>105,283,828</u>	<u>9,711,287</u>	<u>37,989,509</u>	<u>1,034,054</u>	<u>(56,548,978)</u>	<u>-</u>	<u>(56,548,978)</u>
Business-type activities:							
Healthcare Center	16,574,797	15,819,653	-	-	-	(755,144)	(755,144)
Reefpoint Marina	1,406,869	1,447,015	-	-	-	40,146	40,146
Behavioral Health Services	9,117,500	9,143,200	-	-	-	25,700	25,700
Golf Courses	307,278	298,911	-	-	-	(8,367)	(8,367)
Total business-type activities	<u>27,406,444</u>	<u>26,708,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(697,665)</u>	<u>(697,665)</u>
Total	<u>\$ 132,690,272</u>	<u>\$ 36,420,066</u>	<u>\$ 37,989,509</u>	<u>\$ 1,034,054</u>	<u>(56,548,978)</u>	<u>(697,665)</u>	<u>(57,246,643)</u>
General Revenues:							
Property taxes for general purposes					46,382,635	-	46,382,635
Property taxes for debt service					5,579,694	-	5,579,694
Other taxes					123	-	123
Grants not restricted to specific programs					2,745,176	-	2,745,176
Unrestricted investment earnings					3,243,584	326	3,243,910
Other					1,513,197	-	1,513,197
Transfers					(733,769)	733,769	-
Total general revenues and transfers					<u>58,730,640</u>	<u>734,095</u>	<u>59,464,735</u>
Change in net position					2,181,662	36,430	2,218,092
NET POSITION							
Beginning of year					<u>43,110,037</u>	<u>8,593,112</u>	<u>51,703,149</u>
End of Year					<u>\$ 45,291,699</u>	<u>\$ 8,629,542</u>	<u>\$ 53,921,241</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
BALANCE SHEET - GOVERNMENTAL FUNDS
As of December 31, 2014

	General	Human Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 50,390,637	\$ 1,025	\$ -	\$ 50,391,662
Receivables:				
Property taxes	44,187,333	-	6,950,200	51,137,533
Delinquent property taxes (net of uncollectibles of \$440,601)	14,475,003	-	-	14,475,003
Loans	2,133,075	-	-	2,133,075
Due from other governments	1,946,741	2,559,633	-	4,506,374
Interest and penalties	5,754,187	-	-	5,754,187
Accounts	883,650	255,110	-	1,138,760
Due from other funds	2,850,305	3,977,627	7,769,850	14,597,782
Inventories	11,747	-	-	11,747
Prepaid items	1,301,004	18,395	-	1,319,399
Restricted cash and investments	308,297	-	857,194	1,165,491
Total assets	\$ 124,241,979	\$ 6,811,790	\$ 15,577,244	\$ 146,631,013
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,520,890	\$ 2,615,510	\$ 915,644	\$ 6,052,044
Accrued liabilities	4,386,108	-	-	4,386,108
Due to other governments	110,189	-	-	110,189
Due to other funds	16,635,651	-	9,441	16,645,092
Grant and user fee advances	61,192	-	-	61,192
Total liabilities	23,714,030	2,615,510	925,085	27,254,625
 Deferred Inflows				
Unavailable revenues	8,036,679	-	-	8,036,679
Unearned revenues	44,187,333	-	6,950,200	51,137,533
Total deferred inflows	52,224,012	-	6,950,200	59,174,212
 Fund Balances				
Nonspendable	16,277,554	18,385	264,246	16,560,185
Restricted for				
Recreational land acquisition	308,297	-	-	308,297
Debt service	-	-	767,012	767,012
Endowments	-	-	175,550	175,550
Committed	17,589,978	4,177,895	4,604,843	26,372,716
Assigned	-	-	1,897,768	1,897,768
Unassigned	14,128,108	-	(7,460)	14,120,648
Total fund balances	48,303,937	4,196,280	7,701,959	60,202,176
 Total liabilities, deferred inflows, and fund balances	\$ 124,241,979	\$ 6,811,790	\$ 15,577,244	\$ 146,631,013

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 POSITION
December 31, 2014**

Fund balances of governmental funds \$ 60,202,176

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

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

Land	21,812,455
Construction in progress	4,529,486
Capital assets being depreciated, net	89,054,082
Less: Internal service fund capital assets, net of depreciation	(8,601,630)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	8,036,679
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Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds:

General obligation debt	(52,806,782)
Unamortized premium on long-term debt	(1,826,847)
Compensated absences	(3,499,354)
Claims and judgments	(2,772,109)
Net OPEB obligation	(81,792,948)
Less: Internal service fund general obligation debt	86,265
Accrued interest on long-term debt	(557,444)

A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds.	1,333,699
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal services funds are in governmental activities.	<u>12,093,971</u>
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Net position of governmental activities \$ 45,291,699

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
For the Year Ended December 31, 2014

	<u>General</u>	<u>Human Services Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 44,614,768	\$ -	\$ 6,679,012	\$ 51,293,780
Intergovernmental	12,293,099	26,395,089	2,909,882	41,598,070
Fines and fees	8,330,050	260,291	-	8,590,341
Investment income (loss)	3,240,154	-	3,430	3,243,584
Miscellaneous	884,268	968,152	953,273	2,805,693
Total revenues	<u>69,362,339</u>	<u>27,623,532</u>	<u>10,545,597</u>	<u>107,531,468</u>
EXPENDITURES				
Current:				
General government	12,787,706	-	-	12,787,706
Public safety	35,090,055	-	-	35,090,055
Health and social services	5,975,716	31,991,823	-	37,967,539
Education and recreation	4,008,598	-	1,089,315	5,097,913
Development	1,455,472	-	-	1,455,472
Highways and streets	904,270	-	8,672,792	9,577,062
Capital outlay	1,103,813	-	2,629,808	3,733,621
Debt service:				
Principal retirement	-	-	5,575,762	5,575,762
Interest and fiscal charges	-	-	1,467,319	1,467,319
Total expenditures	<u>61,325,630</u>	<u>31,991,823</u>	<u>19,434,996</u>	<u>112,752,449</u>
Excess (deficiency) of revenues over expenditures	<u>8,036,709</u>	<u>(4,368,291)</u>	<u>(8,889,399)</u>	<u>(5,220,981)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	251,870	5,547,641	6,514,594	12,314,105
Transfers out	(8,095,501)	(195,516)	(4,929,187)	(13,220,204)
Proceeds from sale of capital assets	-	-	32,067	32,067
Issuance of general obligation debt	-	-	6,135,000	6,135,000
Net premium on issuance of debt	-	-	143,463	143,463
Total other financing sources (uses)	<u>(7,843,631)</u>	<u>5,352,125</u>	<u>7,895,937</u>	<u>5,404,431</u>
Net change in fund balances	193,078	983,834	(993,462)	183,450
FUND BALANCES				
Beginning of year	<u>48,110,859</u>	<u>3,212,446</u>	<u>8,695,421</u>	<u>60,018,726</u>
End of year	<u>\$ 48,303,937</u>	<u>\$ 4,196,280</u>	<u>\$ 7,701,959</u>	<u>\$ 60,202,176</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
For the Year Ended December 31, 2014**

Net change in fund balances - total governmental funds \$ 183,450

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	3,733,621
Some items reported as current expenditures in the funds were capitalized	3,266,440
Depreciation is reported in the government-wide financial statements	(4,787,799)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position	(1,371)

The change in net position of the internal service funds is reported with governmental activities. 574,573

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements. 635,724

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position.

Debt issued	(6,135,000)
Principal repaid	5,575,762

Governmental funds report debt premiums and discounts as other financing sources (uses). However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and is reported as interest expense.

Net debt premiums and discounts	(143,463)
Net amortization of debt premiums and discounts	173,945

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	(24,037)
Amortization of deferred loss on refunding	(127,779)
Compensated absences	(303,548)
Claims and judgments	1,080,763
Net OPEB Obligation	(1,519,619)

Changes in net position of the governmental activities \$ 2,181,662

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, 2014**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 44,614,645	\$ 44,614,767	\$ 44,614,768	\$ 1
Intergovernmental	11,858,066	12,084,017	12,293,099	209,082
Fines and fees	8,206,879	8,301,104	8,330,050	28,946
Investment income	3,694,500	3,239,542	3,240,154	612
Miscellaneous	351,193	636,638	884,268	247,630
Total revenues	<u>68,725,283</u>	<u>68,876,068</u>	<u>69,362,339</u>	<u>486,271</u>
EXPENDITURES				
Current:				
General government	25,098,896	12,089,657	12,787,706	(698,049)
Public safety	35,814,495	35,428,724	35,090,055	338,669
Health and social services	6,441,177	6,031,591	5,975,716	55,875
Education and recreation	4,221,200	4,021,668	4,008,598	13,070
Development	1,472,724	1,402,172	1,455,472	(53,300)
Highways and streets	1,029,473	1,029,473	904,270	125,203
Capital outlay	-	-	1,103,813	(1,103,813)
Total expenditures	<u>74,077,965</u>	<u>60,003,285</u>	<u>61,325,630</u>	<u>(1,322,345)</u>
Excess (deficiency) of revenues over expenditures	<u>(5,352,682)</u>	<u>8,872,783</u>	<u>8,036,709</u>	<u>(836,074)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	246,870	251,870	251,870	-
Transfers out	(7,543,089)	(8,095,501)	(8,095,501)	-
Total other financing sources (uses)	<u>(7,296,219)</u>	<u>(7,843,631)</u>	<u>(7,843,631)</u>	<u>-</u>
Net change in fund balances	<u>\$ (12,648,901)</u>	<u>\$ 1,029,152</u>	193,078	<u>\$ (836,074)</u>
FUND BALANCES				
Beginning of year			48,110,859	
End of year			<u>\$ 48,303,937</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, 2014**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 27,236,788	\$ 27,125,025	\$ 26,395,089	\$ (729,936)
Fines and fees	167,997	167,997	260,291	92,294
Miscellaneous	829,506	829,506	968,152	138,646
Total revenues	<u>28,234,291</u>	<u>28,122,528</u>	<u>27,623,532</u>	<u>(498,996)</u>
EXPENDITURES				
Current:				
Health and social services	<u>33,752,949</u>	<u>33,770,392</u>	<u>31,991,823</u>	<u>1,778,569</u>
Total expenditures	<u>33,752,949</u>	<u>33,770,392</u>	<u>31,991,823</u>	<u>1,778,569</u>
Excess (deficiency) of revenues over expenditures	<u>(5,518,658)</u>	<u>(5,647,864)</u>	<u>(4,368,291)</u>	<u>1,279,573</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,527,491	5,547,641	5,547,641	-
Transfers out	<u>(127,527)</u>	<u>(195,516)</u>	<u>(195,516)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,399,964</u>	<u>5,352,125</u>	<u>5,352,125</u>	<u>-</u>
Net change in fund balances	<u>\$ (118,694)</u>	<u>\$ (295,739)</u>	983,834	<u>\$ 1,279,573</u>
FUND BALANCES				
Beginning of year			<u>3,212,446</u>	
End of year			<u>\$ 4,196,280</u>	

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2014

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities
	Ridgewood Healthcare Center	Reefpoint Marina	Behavioral Health Services	Golf Courses (Nonmajor)		Internal Service Funds
ASSETS						
Current assets						
Cash and investments	\$ 1,500	\$ 746,262	\$ -	\$ 216,424	\$ 964,186	\$ 700
Receivables (net of allowance for uncollectibles)	1,361,785	-	724,266	27,084	2,113,135	29,837
Due from other governments	1,334,037	-	815,392	-	2,149,429	1,496,550
Due from other funds	-	330,443	-	900,720	1,231,163	3,657,012
Inventories	119,065	25,653	-	-	144,718	865,791
Prepaid items	13,893	35,556	13,491	-	62,940	528
Total current assets	<u>2,830,280</u>	<u>1,137,914</u>	<u>1,553,149</u>	<u>1,144,228</u>	<u>6,665,571</u>	<u>6,050,418</u>
Noncurrent assets						
Restricted cash and investments	98,037	-	-	-	98,037	-
Capital assets not being depreciated:						
Land	1	-	-	1,131,761	1,131,762	-
Construction in progress	45,895	-	-	30,916	76,811	671,055
Capital assets being depreciated:						
Buildings	12,615,552	3,689,567	-	1,742,032	18,047,151	5,594,275
Improvements other than buildings	264,383	1,175,910	-	3,890,192	5,330,485	1,935,226
Machinery and equipment	2,319,472	150,277	-	-	2,469,749	11,198,505
Less: accumulated depreciation	<u>(10,528,269)</u>	<u>(461,179)</u>	<u>-</u>	<u>(3,318,661)</u>	<u>(14,308,109)</u>	<u>(10,797,431)</u>
Total capital assets	<u>4,717,034</u>	<u>4,554,575</u>	<u>-</u>	<u>3,476,240</u>	<u>12,747,849</u>	<u>8,601,630</u>
Total noncurrent assets	<u>4,815,071</u>	<u>4,554,575</u>	<u>-</u>	<u>3,476,240</u>	<u>12,845,886</u>	<u>8,601,630</u>
Total assets	<u>7,645,351</u>	<u>5,692,489</u>	<u>1,553,149</u>	<u>4,620,468</u>	<u>19,511,457</u>	<u>14,652,048</u>
DEFERRED OUTFLOWS						
Deferred charges	112,251	-	-	-	112,251	-
LIABILITIES						
Current liabilities						
Accounts payable and other current liabilities	1,030,407	126,258	531,116	20,852	1,708,633	843,245
Accrued interest payable	9,292	8,900	-	-	18,192	-
Due to other funds	628,557	-	583,740	-	1,212,297	1,628,567
Grant and user fee advances	159,976	682,952	-	-	842,928	-
Deposits	47,927	-	-	-	47,927	-
Compensated absences	320,233	-	-	-	320,233	-
Current maturities on bonds payable	388,893	225,654	-	-	614,547	9,929
Total current liabilities	<u>2,585,285</u>	<u>1,043,764</u>	<u>1,114,856</u>	<u>20,852</u>	<u>4,764,757</u>	<u>2,481,741</u>
Noncurrent liabilities						
Long term maturities on bonds payable	1,879,322	4,350,087	-	-	6,229,409	76,336
Total liabilities	<u>4,464,607</u>	<u>5,393,851</u>	<u>1,114,856</u>	<u>20,852</u>	<u>10,994,166</u>	<u>2,558,077</u>
NET POSITION						
Net investment (deficit) in capital assets	2,686,847	(21,167)	-	3,476,240	6,141,920	8,515,365
Unrestricted	606,148	319,805	438,293	1,123,376	2,487,622	3,578,606
Total net position	<u>\$ 3,292,995</u>	<u>\$ 298,638</u>	<u>\$ 438,293</u>	<u>\$ 4,599,616</u>	<u>\$ 8,629,542</u>	<u>\$ 12,093,971</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities
	Ridgewood Healthcare Center	Reefpoint Marina	Behavioral Health Services	Golf Courses (Nonmajor)		Internal Service Funds
OPERATING REVENUES						
Charges for services	15,778,450	1,390,003	9,138,703	297,823	\$ 26,604,979	\$ -
Highway charges and fees	-	-	-	-	-	10,980,999
Other	<u>41,203</u>	<u>57,012</u>	<u>4,497</u>	<u>1,088</u>	<u>103,800</u>	<u>61,935</u>
Total operating revenues	<u>15,819,653</u>	<u>1,447,015</u>	<u>9,143,200</u>	<u>298,911</u>	<u>26,708,779</u>	<u>11,042,934</u>
OPERATING EXPENSES						
Resident services	10,376,079	-	-	-	10,376,079	-
Operations and maintenance	1,184,176	1,122,054	9,117,500	24,409	11,448,139	-
Administration	3,861,282	-	-	-	3,861,282	-
Highway maintenance	-	-	-	-	-	9,886,550
Other	468,095	-	-	-	468,095	-
Depreciation	<u>578,800</u>	<u>175,644</u>	<u>-</u>	<u>282,869</u>	<u>1,037,313</u>	<u>722,637</u>
Total operating expenses	<u>16,468,432</u>	<u>1,297,698</u>	<u>9,117,500</u>	<u>307,278</u>	<u>27,190,908</u>	<u>10,609,187</u>
Operating income (loss)	<u>(648,779)</u>	<u>149,317</u>	<u>25,700</u>	<u>(8,367)</u>	<u>(482,129)</u>	<u>433,747</u>
NONOPERATING REVENUES (EXPENSE)						
Interest income	326	-	-	-	326	-
Interest expense	(87,656)	(109,825)	-	-	(197,481)	(1,891)
Amortization expense	(18,709)	654	-	-	(18,055)	-
Loss on disposal of capital assets	-	-	-	-	-	(29,613)
Total nonoperating revenues (expense)	<u>(106,039)</u>	<u>(109,171)</u>	<u>-</u>	<u>-</u>	<u>(215,210)</u>	<u>(31,504)</u>
Income (loss) before transfers	<u>(754,818)</u>	<u>40,146</u>	<u>25,700</u>	<u>(8,367)</u>	<u>(697,339)</u>	<u>402,243</u>
TRANSFERS						
Transfers in	694,111	-	124,808	-	818,919	1,146,330
Transfers out	<u>(65,000)</u>	<u>-</u>	<u>(20,150)</u>	<u>-</u>	<u>(85,150)</u>	<u>(974,000)</u>
Total net transfers	<u>629,111</u>	<u>-</u>	<u>104,658</u>	<u>-</u>	<u>733,769</u>	<u>172,330</u>
Change in net position	<u>(125,707)</u>	<u>40,146</u>	<u>130,358</u>	<u>(8,367)</u>	<u>36,430</u>	<u>574,573</u>
NET POSITION						
Beginning of year	<u>3,418,702</u>	<u>258,492</u>	<u>307,935</u>	<u>4,607,983</u>	<u>8,593,112</u>	<u>11,519,398</u>
End of year	<u>\$ 3,292,995</u>	<u>\$ 298,638</u>	<u>\$ 438,293</u>	<u>\$ 4,599,616</u>	<u>\$ 8,629,542</u>	<u>\$ 12,093,971</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Ridgewood Healthcare Center	Reefpoint Marina	Behavioral Health Services	Golf Courses (Nonmajor)	Internal Service Fund	
				Totals		
CASH FLOWS FROM OPERATING ACTIVITIES						
Received from customers and users	\$ 14,846,246	\$ 1,537,714	\$ 8,735,633	\$ 273,101	\$ 25,392,694	\$ 7,080,151
Received from interfund services provided	765,160	663,274	-	-	1,428,434	4,903,050
Paid for interfund services provided	-	-	408,988	(228,455)	180,533	(1,555,232)
Paid to suppliers	(5,932,991)	(1,071,337)	(7,812,306)	(13,557)	(14,830,191)	(3,687,988)
Paid to employees	(9,706,851)	-	(1,436,973)	-	(11,143,824)	(4,955,884)
Net cash from operating activities	<u>(28,436)</u>	<u>1,129,651</u>	<u>(104,658)</u>	<u>31,089</u>	<u>1,027,646</u>	<u>1,784,097</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interest income	326	-	-	-	326	-
Transfers in	694,111	-	124,808	-	818,919	1,146,330
Transfers out	(65,000)	-	(20,150)	-	(85,150)	(974,000)
Net cash from noncapital financing activities	<u>629,437</u>	<u>-</u>	<u>104,658</u>	<u>-</u>	<u>734,095</u>	<u>172,330</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(150,441)	(53,700)	-	(30,914)	(235,055)	(1,939,096)
Principal paid on capital debt	(403,798)	(220,001)	-	-	(623,799)	(15,440)
Interest paid on capital debt	(88,894)	(110,188)	-	-	(199,082)	(1,891)
Net cash from capital and related financing activities	<u>(643,133)</u>	<u>(383,889)</u>	<u>-</u>	<u>(30,914)</u>	<u>(1,057,936)</u>	<u>(1,956,427)</u>
Net increase (decrease) in cash and cash equivalents	(42,132)	745,762	-	175	703,805	-
CASH AND CASH EQUIVALENTS						
Beginning of year	<u>141,669</u>	<u>500</u>	<u>-</u>	<u>216,249</u>	<u>358,418</u>	<u>700</u>
End of year	<u>\$ 99,537</u>	<u>\$ 746,262</u>	<u>\$ -</u>	<u>\$ 216,424</u>	<u>\$ 1,062,223</u>	<u>\$ 700</u>

The accompanying notes are an integral part of this statement.

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities
	Ridgewood Healthcare Center	Reefpoint Marina	Behavioral Health Services	Golf Courses (Nonmajor)		Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ (648,779)	\$ 149,317	\$ 25,700	\$ (8,367)	\$ (482,129)	\$ 433,747
Adjustments to reconcile to net cash from operating activities:						
Depreciation	578,800	175,644	-	282,869	1,037,313	722,637
Bad debt expense	(76,820)	-	-	-	(76,820)	-
Changes in assets and liabilities:						
Receivables	(968,422)	-	(399,563)	(25,810)	(1,393,795)	166,749
Due from other funds	136,603	663,274	-	(228,455)	571,422	773,518
Inventories	(35,687)	(22,386)	-	-	(58,073)	(283,017)
Prepaid items	33,567	(22,594)	(12,655)	-	(1,682)	216
Accounts payable	273,788	95,697	(119,124)	10,852	261,213	(67,621)
Due to other funds	628,557	-	408,988	-	1,037,545	68,869
Grant and user fee advances	71,835	90,699	(8,004)	-	154,530	-
Other liabilities	(21,878)	-	-	-	(21,878)	(31,001)
Net cash from operating activities	<u>\$ (28,436)</u>	<u>\$ 1,129,651</u>	<u>\$ (104,658)</u>	<u>\$ 31,089</u>	<u>\$ 1,027,646</u>	<u>\$ 1,784,097</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS						
Unrestricted cash and cash equivalents	\$ 1,500	\$ 746,262	\$ -	\$ 216,424	\$ 964,186	\$ 700
Restricted cash and cash equivalents	<u>98,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,037</u>	<u>-</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 99,537</u>	<u>\$ 746,262</u>	<u>\$ -</u>	<u>\$ 216,424</u>	<u>\$ 1,062,223</u>	<u>\$ 700</u>
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Amortization of loss on refunding	<u>\$ 18,709</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,709</u>	<u>\$ -</u>
Amortization of debt premium	<u>\$ -</u>	<u>\$ 654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 654</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN
STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS
As of December 31, 2014

	Total Agency Funds
ASSETS	
Cash and cash equivalents	\$ 4,109,783
Receivables:	
Delinquent property taxes	632,924
Other	650,788
Total assets	\$ 5,393,495
 LIABILITIES	
Accounts payable	\$ 58,663
Agency deposits	5,334,832
Total liabilities	\$ 5,393,495

The accompanying notes are an integral part of this statement.

COUNTY OF RACINE, WISCONSIN

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As of and for the Year Ended December 31, 2014

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COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of County of Racine (County), Wisconsin have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described in these notes to the financial statements.

A. Reporting Entity

The County is a municipal corporation under the laws of the State of Wisconsin and is governed by an elected County Executive and twenty-three elected Supervisors. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The County has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statements No. 14, as amended by GASB Statement No. 61, and No. 39.

Related Organization

The Housing Authority of Racine County ("Housing Authority") is responsible for providing affordable housing to low to moderate income families in Racine County. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by and responsible to the County Executive. The County cannot impose its will on the Housing Authority, and the Housing Authority cannot create a potential financial benefit to or burden on the County. Separately issued financial statements of the Housing Authority may be obtained from the Housing Authority's office, 837 Main Street, Racine, WI 53403.

B. Government-wide and Fund Financial Statements

In June 2012, the GASB issued statement No. 67 – *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. This statement establishes accounting and financial reporting standards for the activities of pension plans that are administered through trusts and meet certain criteria. This statement replaces the requirements of Statements No. 25 – *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* – and No. 50 – *Pension Disclosures* – as they related to pension plans that are administered through trusts or equivalent arrangements that meet certain requirements. This standard was implemented effective January 1, 2014 and had no effect on these financial statements.

In January 2013, the GASB issued statement No. 69 – *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This standard was implemented effective January 1, 2014 and had no effect on these financial statements.

In April 2013, the GASB issued statement No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement establishes requirements for financial reporting and disclosures for governments that extend and/or receive nonexchange financial guarantees. This standard was implemented effective January 1, 2014 and had no effect on these financial statements.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-wide Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent on fees and charges for support.

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

Fund Financial Statements

Financial statements of the County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) B. Government-wide and Fund Financial Statements (continued)

Fund Financial Statements (continued)

The County reports the following major governmental funds:

General Fund – accounts for the County’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Human Services Special Revenue Fund - accounts for the financial activities of the Human Services Department for Racine County taxpayers. Operations of the fund are primarily funded from federal and state grants.

The County reports the following major enterprise funds:

Ridgewood Healthcare Center Fund - accounts for the activities of the County’s nursing home operations.

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

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

The County reports the following nonmajor funds:

Special Revenue Funds - account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects). The County reports the following special revenue funds:

- Road Maintenance
- County Handicapped Education
- County Bridge Aids

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

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

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

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

- Golf Courses

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) B. Government-wide and Fund Financial Statements (continued)

Fund Financial Statements (continued)

Additionally, the County reports the following fund types:

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

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.

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 90 days of the end of the current fiscal period, with the exception of revenues related to property taxes which are considered to be available if they are collected within 60 days of the end of the current fiscal period and Human Services Department grants which are considered to be available if they are collected within 120 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 As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (continued)

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, public charges for service, and interest. Other general revenues such as fines and forfeitures and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

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

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

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity

1. Cash and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash deposits are carried at cost. Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

State statutes restrict investment of County funds. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The State of Wisconsin Local Government Investment Pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Statutes Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2014 the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III.A for further information.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

2. Receivables

A majority of accounts receivables are recorded at gross with uncollectible amounts recognized under the direct write-off method, since it is believed that the amount of such allowances would not be material. For accounts receivables that expect to have material uncollectible amounts, these balances have been shown net of these allowances.

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

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

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

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

3. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the balance sheet. Noncurrent portions of the interfund receivables described as "advances to/from" governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation. There are no advances at December 31, 2014.

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

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

4. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

5. Restricted assets

Certain investments of the Ridgewood Healthcare Center Enterprise Fund are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited for the benefit of residents. Restricted assets of the permanent fund include the Bushnell endowment and related income which is restricted for use in Bushnell Park. Restricted assets of the General Fund are for the purchase of park lands on the open-space plan.

6. Capital assets

Government-wide financial statements

Capital assets, which include property, buildings, equipment, and infrastructure assets (e.g., roads, bridges, dams and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets other than infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, the Ridgewood Healthcare Center will follow Medicare guidelines and include capital assets with a value greater than \$1,000. The Public Works department will follow the governmental funds threshold but will also include all state-classified equipment regardless of the value. Additionally, the County reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add value or materially extend asset lives are not capitalized. Donated capital assets are valued at the estimated fair value of the item at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects as 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. No net interest was capitalized during the current year.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

6. Capital assets (continued)

Government-wide financial statements (continued)

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building and other improvements	20
Infrastructure	30-50
Machinery and equipment	5-10
Vehicles	3-10

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the governmental-wide financial statements as described above.

7. Compensated absences

It is the County's policy to permit employees to accumulate earned but unused vacation, casual time and sick pay benefits in accordance with County policy and bargaining unit agreements. There is a liability for unpaid accumulated sick leave and casual time since the County has a policy to pay partial amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. Payments for accumulated vacation will be made at rates in effect when the benefits are used or paid out upon separation. For governmental activities, the compensated absences are generally liquidated by the General Fund.

8. Self-funded insurance

The County is self-insured for its health, worker's compensation, public liability and automobile claims. The claim costs are accounted for in the General Fund. A private administrator calculates the contribution per employee for health and workers' compensation insurance, which is used to charge other departments and funds. An excess liability policy is carried for health insurance and workers compensation insurance. Estimated claims incurred but not reported for health claims are recorded as a liability in the statement of net position and in the governmental fund financial statements.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

9. Long-term obligations

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

10. Deferred Outflows and Inflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an expense/expenditure until that future time.

A deferred charge on refunding arises from the advanced refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as revenue until that future time.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

11. Equity Classifications

Government-wide Statements

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

- a. Net investment in capital assets – Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances 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 position – Net positions subject to constraints imposed by 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Non-spendable – Amounts that cannot be spent because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Amounts subject to constraints imposed by either 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County Board (the County’s highest level of decision-making authority) in an ordinance or resolution prior to the end of the fiscal year. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.
- d. Assigned – Amounts that are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The County Board has the authority to assign fund balance. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified in one of the above categories.
- e. Unassigned – Residual positive fund balance within the general fund which has not been classified within the above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

It is the County’s policy to use fund balance resources in the following manner, first, restricted, then committed, assigned and finally unassigned.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

11. Equity Classifications (continued)

Minimum Fund Balance

The County has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 16% to 25% of the next fiscal year's budgeted operating expenditures for all funds as general fund unrestricted fund balance. The balance at year end was \$31,718,086, or 21%, and is included in unassigned and committed general fund balance.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

The County amends the adopted budget for funds encumbered for specific purposes from previous periods. These funds are authorized for specific purposes as restricted by County Board resolution or grantor agency regulation. These encumbered funds increased the County's 2014 adopted budget for the following funds:

General Fund	\$14,347,954
Human Services Fund	10,084
Capital Projects Fund	1,723,185

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures over Appropriations

The following funds had excess expenditures (including transfers out) over appropriations which were financed by available fund balance and excess revenues:

General Fund	\$1,322,345
County Road Maintenance	4,564,346
County Bridge Aids	74,258
Debt Service Fund	143,184

C. Limitations on the County's Tax Levy Rate

Wisconsin law limits the County's future tax levies. Generally the County is limited to its prior tax levy dollar amount, increased by the greater of the percentage change in the County's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The County is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

D. Deficit Fund Balance

County Handicapped Education Special Revenue Fund had a deficit fund balance of \$7,460 as of December 31, 2014. This deficit will be covered by future tax levies for the fund.

Fringe Benefits Internal Service Fund had a deficit fund balance of \$168,787 as of December 31, 2014. The County will continue to review future rates and make rate adjustments as necessary to cover the deficit.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The County had the following deposits and investments as of December 31, 2014.

Petty cash	\$ 7,165
Demand deposits	22,777,808
Corporate Bonds	7,589,798
Asset Backed Securities	3,482,530
Mortgage Bonds	4,369,998
U.S. Government Agency Securities	7,584,364
U.S. Treasury Bonds and Notes	6,420,404
Local Government Investment Pool	4,497,792
Total	<u>\$ 56,729,859</u>

Reconciliation to the financial statements

Per statement of net position

Unrestricted cash and investments \$ 51,356,548

Restricted cash and investments 1,263,528

Per statement of assets and liabilities

Agency Funds 4,109,783

Total Cash and Investments \$ 56,729,859

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual entities. This coverage has not been considered in computing custodial credit risk.

The County maintains a collateral agreement with its bank. At December 31, 2014, the bank had pledged government treasuries in the amount of \$21,269,494 to secure the County's deposits.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the County's deposits may not be returned to the County. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy will allow the Treasurer to place funds in excess of five hundred thousand dollars (\$500,000) in any bank so named as a county depository without the effect of collateralization if standards established by the finance committee are maintained. As of December 31, 2014, \$503,898 of the County's demand deposits were not insured or fully collateralized.

As of December 31, 2014, the County's following investments were held by the counterparty in the County's name.

	Fair Value
Corporate Bonds	\$ 7,589,798
Asset Backed Securities	3,482,530
Mortgage Bonds	4,369,998
U.S. Government Agency Securities	7,584,364
U.S. Treasury Bonds and Notes	6,420,404
Total	<u>\$ 29,447,094</u>

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

Interest Rate Risk

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

The following is a summary of investments by maturity:

	Fair Value	Less than 1 year	1 - 2 years	2 - 3 years	3 - 5 years
Corporate Bonds	\$ 7,589,798	\$ 1,925,020	\$ 1,858,988	\$ 2,171,906	\$ 1,633,884
Asset Backed Securities	3,482,530	35,303	10,137	-	3,437,090
Mortgage Bonds	4,369,998	-	72	-	4,369,926
U.S. Government Agency Securities	7,584,364	800,061	1,766,046	3,061,176	1,957,081
U.S. Treasury Bonds and Notes	6,420,404	3,604,136	1,367,870	725,594	722,804
	<u>\$ 29,447,094</u>	<u>\$ 6,364,520</u>	<u>\$ 5,003,113</u>	<u>\$ 5,958,676</u>	<u>\$ 12,120,785</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash 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, 2014, the County's investments were rated by Moody's Investors Service as follows:

	Fair Value	Average Moody's Rating
Corporate Bonds	\$ 853,434	Aa1
Corporate Bonds	2,589,267	Aa2
Corporate Bonds	2,018,854	Aa3
Corporate Bonds	464,168	A1
Corporate Bonds	475,090	A2
Corporate Bonds	425,591	A3
Corporate Bonds	415,687	Baa1
Corporate Bonds	347,707	Not Rated
Asset Backed Securities	3,437,091	Aaa
Asset Backed Securities	45,439	Not Rated
Mortgage Bonds	4,369,926	Aaa
Mortgage Bonds	72	Not Rated
U.S. Government Agency Securities	7,048,374	Aaa
U.S. Government Agency Securities	535,990	A2
U.S. Treasury Bonds and Notes	6,370,069	Aaa
U.S. Treasury Bonds and Notes	50,335	Not Rated
Local Government Investment Pool	4,497,792	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. At December 31, 2014, the County's investment portfolio had investment concentrations greater than 5% of the total portfolio as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Mortgage Corp.	Mortgage Bonds and U.S. Government Agency Securities	12.0%
Federal Home Loan Bank	U.S. Government Agency Securities	8.0%
Federal National Mortgage Association	Mortgage Bonds and U.S. Government Agency Securities	6.5%

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables

Delinquent property taxes have been shown net of an allowance for uncollectible accounts. All other receivables on the balance sheet are expected to be collected within one year.

Delinquent Taxes

Delinquent property taxes purchased from other taxing districts are reflected as nonspendable fund balance at year-end. Delinquent property taxes collected within sixty days subsequent to year-end are considered to be available for current expenditures and are therefore excluded from nonspendable fund balances. Delinquent property taxes levied by the County are reflected as unavailable revenue and are excluded from the fund balance until collected. Delinquent tax certificates include special assessments that are purchased by the County during settlement with the taxing districts. At December 31, 2014, delinquent property taxes for governmental funds by year levied consists of the following:

	<u>Total</u>	<u>County Levied</u>	<u>County Purchased</u>
Tax certificates			
2013	\$ 6,246,308	\$ 739,858	5,506,450
2012	3,865,615	397,881	3,467,734
2011	2,191,976	249,290	1,942,686
2010	1,099,988	127,205	972,783
2009	612,944	72,880	540,064
2008 and prior	581,279	76,098	505,181
Tax deeds	<u>317,493</u>	<u>31,706</u>	<u>285,787</u>
 Total Delinquent Property Taxes Receivable	 14,915,603	 1,694,918	 13,220,685
 Less Allowance	 <u>(440,512)</u>	 <u>(51,554)</u>	 <u>(388,958)</u>
 Net Delinquent Property Taxes Receivable	 <u>\$ 14,475,091</u>	 <u>\$ 1,643,364</u>	 <u>\$ 12,831,727</u>

Patient Accounts

Receivables from patients are shown net of an allowance for uncollectible accounts of \$21,038 at December 31, 2014. 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
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

Loan to the Wisconsin Women's Business Initiative Corporation

In September 2008, the County loaned the Wisconsin Women's Business Initiative Corporation \$250,000 for lending to businesses within Racine County for business development purposes. The note is for a 10-year term at 2.0% interest and due October 1, 2018.

Loan to SEDA North America, Inc.

In 2012, the County loaned SEDA \$2,000,000 to assist in the development of its manufacturing operation in Mt Pleasant, specifically for the purchase of equipment. The loan has a 12-month deferral period after which equal quarterly payments are due. The loan is for a ten year term (after expiration of the deferral period) at 2.44% interest and due on February 1, 2023.

Unavailable and Unearned Revenues

Governmental funds report unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes receivable for subsequent year	\$ -	\$ 51,137,533	\$ 51,137,533
Delinquent property taxes receivable	1,643,364	-	1,643,364
Delinquent property taxes interest receivable	5,742,788	-	5,742,788
Revenues received for subsequent year	-	61,192	61,192
Current year receivables collected subsequent to recognition period	<u>650,527</u>	<u>-</u>	<u>650,527</u>
 Total unavailable/unearned revenue for governmental funds	 <u>\$ 8,036,679</u>	 <u>\$ 51,198,725</u>	 <u>\$ 59,235,404</u>
 Unearned revenue included in liabilities		\$ 61,192	
Unearned revenue included in deferred inflows		<u>51,137,533</u>	
Total unearned revenue for governmental funds		<u>\$ 51,198,725</u>	

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 21,812,455	\$ -	\$ -	\$ 21,812,455
Construction in progress	3,399,038	3,843,468	(2,713,020)	4,529,486
Total capital assets, not being depreciated	<u>25,211,493</u>	<u>3,843,468</u>	<u>(2,713,020)</u>	<u>26,341,941</u>
Capital assets, being depreciated:				
Buildings	68,042,494	965,804	-	69,008,298
Improvements other than buildings	18,315,470	177,847	-	18,493,317
Machinery and equipment	27,639,178	3,925,743	(668,383)	30,896,538
Infrastructure	43,482,690	2,746,695	-	46,229,385
Total capital assets, being depreciated	<u>157,479,832</u>	<u>7,816,089</u>	<u>(668,383)</u>	<u>164,627,538</u>
Less accumulated depreciation for:				
Buildings	(28,888,918)	(1,527,818)	-	(30,416,736)
Improvements other than buildings	(6,146,554)	(783,782)	-	(6,930,336)
Machinery and equipment	(20,950,379)	(1,594,690)	630,843	(21,914,226)
Infrastructure	(14,707,184)	(1,604,974)	-	(16,312,158)
Total accumulated depreciation	<u>(70,693,035)</u>	<u>(5,511,264)</u>	<u>630,843</u>	<u>(75,573,456)</u>
Total capital assets being depreciated, net	<u>86,786,797</u>	<u>2,304,825</u>	<u>(37,540)</u>	<u>89,054,082</u>
Total capital assets, net	<u>\$ 111,998,290</u>	<u>\$ 6,148,293</u>	<u>\$ (2,750,560)</u>	<u>\$ 115,396,023</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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	\$ 1,131,762	\$ -	\$ -	\$ 1,131,762
Construction in progress	65,895	30,916	(20,000)	76,811
Total capital assets, not being depreciated	<u>1,197,657</u>	<u>30,916</u>	<u>(20,000)</u>	<u>1,208,573</u>
Capital assets, being depreciated:				
Buildings	17,967,815	131,289	(51,953)	18,047,151
Improvements other than buildings	5,330,485	-	-	5,330,485
Machinery and equipment	<u>2,570,523</u>	<u>114,243</u>	<u>(215,017)</u>	<u>2,469,749</u>
Total capital assets, being depreciated	<u>25,868,823</u>	<u>245,532</u>	<u>(266,970)</u>	<u>25,847,385</u>
Less accumulated depreciation for:				
Buildings	(8,743,995)	(640,930)	31,199	(9,353,726)
Improvements other than buildings	(2,701,197)	(280,967)	-	(2,982,164)
Machinery and equipment	<u>(2,071,182)</u>	<u>(115,416)</u>	<u>214,379</u>	<u>(1,972,219)</u>
Total accumulated depreciation	<u>(13,516,374)</u>	<u>(1,037,313)</u>	<u>245,578</u>	<u>(14,308,109)</u>
Total capital assets being depreciated, net	<u>12,352,449</u>	<u>(791,781)</u>	<u>(21,392)</u>	<u>11,539,276</u>
Total capital assets, net	<u>\$ 13,550,106</u>	<u>\$ (760,865)</u>	<u>\$ (41,392)</u>	<u>\$ 12,747,849</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General government	\$	455,005
Public safety		1,544,354
Health and social services		459,900
Education and recreation		722,400
Highways and streets		2,329,605
		<hr/>

Total depreciation expenses - governmental activities

\$ 5,511,264

Business-type activities:

Ridgewood Healthcare Center	\$	578,800
Reefpoint Marina		175,644
Golf Courses		282,869
		<hr/>

Total depreciation expenses - business-type activities

\$ 1,037,313

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2014, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Behavioral Health Services	\$ 583,740
	Ridgewood Healthcare Center	628,557
	County Handicapped Education	7,460
	Permanent Fund	1,981
	Billable Internal Service Fund	<u>1,628,567</u>
		<u>2,850,305</u>
Human Services Fund	General Fund	<u>3,977,627</u>
Reefpoint Marina	General Fund	<u>330,443</u>
Golf Courses	General Fund	<u>900,720</u>
Nonmajor Governmental Funds		
County Road Maintenance	General Fund	4,131,653
County Bridge Aid	General Fund	161,549
Debt Service Fund	General Fund	277,107
Capital Projects Fund	General Fund	3,125,053
Permanent Fund	General Fund	<u>74,488</u>
		<u>7,769,850</u>
Internal Service Funds		
Fringe Benefits Internal Service	General Fund	216,970
Fleet Internal Service	General Fund	<u>3,440,042</u>
		<u>3,657,012</u>
Total due from other funds		19,485,957
Less fund eliminations		<u>(19,467,091)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 18,866</u>

The principal purpose of these interfunds is to provide funding for specific fund operations since the County reports all operating cash accounts in the general fund and does not have pooled cash accounts reported in other individual funds. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be collected within one year.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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	Fleet Internal Service Fund	\$ 56,870
	Capital Projects Fund	195,000
		<u>251,870</u>
Human Services Fund	General Fund	5,527,491
	Behavioral Health Services	20,150
		<u>5,547,641</u>
Ridgewood Healthcare Center	General Fund	95,519
	Human Services Fund	67,989
	Debt Service Fund	492,692
	Capital Projects Fund	15,165
	Fleet Internal Service Fund	22,746
	<u>694,111</u>	
Behavioral Health Services	General Fund	105,891
	Human Services Fund	18,917
		<u>124,808</u>
Nonmajor Governmental Funds		
County Road Maintenance	General Fund	2,029,188
County Road Maintenance	Capital Projects Fund	3,100,000
County Road Maintenance	Fleet Internal Service Fund	35,000
County Road Maintenance	Ridgewood Healthcare Center	65,000
Capital Projects Fund	General Fund	317,412
Capital Projects Fund	Human Services Fund	108,610
Capital Projects Fund	Fleet Internal Service Fund	859,384
		<u>6,514,594</u>
Internal Service Funds		
Billable Internal Service	General Fund	16,000
Fleet Internal Service	General Fund	4,000
Fleet Internal Service	Debt Service Fund	17,330
Fleet Internal Service	Capital Projects Fund	1,109,000
		<u>1,146,330</u>
Total transfers from other funds		14,279,354
Less fund eliminations		(13,545,585)
Total Interfund Transfers - Government-Wide Statement of Net Position		<u>\$ 733,769</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
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
General obligation debt:					
Notes payable	\$ 34,732,986	\$ 6,135,000	\$ 4,461,201	\$ 36,406,785	\$ 4,106,107
Bonds payable	17,530,000	-	1,130,000	16,400,000	1,430,000
Total general obligation debt	52,262,986	6,135,000	5,591,201	52,806,785	5,536,107
Bond premium (discount)	1,857,330	143,463	173,946	1,826,847	178,183
Net general obligation debt	54,120,316	6,278,463	5,765,147	54,633,632	5,714,290
Compensated absences	3,195,805	3,263,495	2,959,947	3,499,353	3,499,353
Net OPEB liability	80,273,329	12,392,012	10,872,393	81,792,948	-
Claims and judgments	3,852,872	646,801	1,727,564	2,772,109	352,737
Governmental activity					
Long-term liabilities	\$ 141,442,322	\$ 22,580,771	\$ 21,325,051	\$ 142,698,042	\$ 9,566,380
Business type activities:					
General obligation debt:					
Bonds Payable:	\$ 6,905,000	\$ -	\$ 540,000	\$ 6,365,000	\$ 560,000
Notes payable	552,014	-	83,799	468,215	53,893
Total general obligation debt	7,457,014	-	623,799	6,833,215	613,893
Bond premium (discount)	11,396	-	654	10,742	654
Net general obligation debt	7,468,410	-	624,453	6,843,957	614,547
Compensated absences	309,519	403,352	392,638	320,233	320,233
Business -type activity					
Long-term liabilities	\$ 7,777,929	\$ 403,352	\$ 1,017,091	\$ 7,164,190	\$ 934,780

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt (continued)

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 5,536,107	\$ 2,680,196	\$ 613,893	\$ 181,029
2016	5,614,845	2,442,022	625,155	162,447
2017	5,748,599	1,809,749	646,401	143,043
2018	5,887,665	1,683,061	657,335	122,678
2019	6,021,730	1,550,710	683,270	101,284
2020-2024	21,227,839	4,956,499	1,492,161	368,016
2025-2029	2,770,000	112,000	1,465,000	197,300
2030-2031	-	-	650,000	19,650
Total	<u>\$ 52,806,785</u>	<u>\$ 15,234,237</u>	<u>\$ 6,833,215</u>	<u>\$ 1,295,447</u>

The detail of the general obligation debt is as follows:

	<u>Date of issue</u>	<u>Final maturity</u>	<u>Interest rates</u>	<u>Original Amount</u>	<u>Balance 12/31/14</u>
General Obligation Notes					
Series 2008	6/17/2008	6/1/2015	3.5%	\$ 3,795,000	\$ 420,000
Series 2011	4/12/2011	6/1/2020	1.50%-2.75%	6,560,000	4,840,000
Series 2012	4/17/2012	6/1/2021	1.0%-2.1%	5,000,000	5,000,000
Series 2013	3/19/2013	3/1/2023	2.0%-3.0%	6,000,000	5,455,000
Series 2014	4/15/2014	3/1/2024	2.0%-3.0%	5,110,000	5,110,000
Taxable General Obligation Notes					
Series 2009	9/15/2009	6/1/2019	1.70% - 4.65%	4,335,000	2,970,000
Series 2010A	8/3/2010	6/1/2017	2.55%-3.40%	2,780,000	1,475,000
Series 2010B	8/3/2010	6/1/2020	3.50%-4.25%	2,140,000	2,140,000
Series 2012	4/17/2012	3/1/2022	0.45%-3.00%	10,200,000	7,515,000
Series 2013	3/19/2013	3/1/2023	0.50%-2.59%	1,020,000	925,000
Series 2014	4/15/2014	3/1/2024	0.70%-3.52%	1,025,000	1,025,000
Series 2005 General Obligation Refunding Bonds	4/15/2005	6/1/2014	3.0%-4.1%	5,935,000	1,800,000
Series 2006 General Obligation Bonds	3/15/2006	3/1/2016	4.0%	18,970,000	1,805,000
Series 2013 General Obligation Refunding Bonds	3/19/2013	3/1/2026	2.0%-4.0%	14,880,000	14,595,000
Series 2012 General Obligation Marina Bonds	4/17/2012	6/1/2031	2.0%-3.0%	5,000,000	4,565,000
Total General Obligation debt					59,640,000
Less amount applicable to business-type activities					(6,833,215)
Governmental activities General Obligation debt					<u>\$ 52,806,785</u>

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability and other post employment benefits obligation will be liquidated primarily by the general fund.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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, 2014, the County's debt margin and legal debt limit is calculated as follows:

Equalized Value of Real and Personal Property	\$ 13,623,818,800
	5%
Debt Limit, 5% of Equalized Valuation	<u>681,190,940</u>
Amount of Debt Applicable to Debt Limitation:	
General Obligation Debt	\$ 59,640,000
Less Debt Service Funds	<u>(767,012)</u>
Total Amount of Debt Applicable to Debt Margin	<u>58,872,988</u>
Legal Debt Margin (Debt Capacity)	<u><u>\$ 622,317,952</u></u>

Prior Year Defeasance of Debt

In 2013, certain general obligation bonds were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the defeased bonds are not included in the County's financial statements. At December 31, 2014, \$14.595 million of bonds outstanding are considered defeased. The bonds are callable on March 1, 2016.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Net Position/Fund Balances

Net Position

The calculation of net position as of December 31, 2014 is as follows:

Governmental Activities

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 115,396,023
Less: outstanding long term debt (net of debt premiums, discounts, and loss on refunding)	(53,299,933)
Plus: noncapital related long term debt	7,885,520
Plus: unspent bond proceeds	<u>1,595,065</u>
Total net investment in capital assets	<u>71,576,675</u>
Restricted	
For recreational land acquisition	308,297
For endowments	
Expendable	175,550
Nonexpendable	264,246
Debt service	<u>209,568</u>
Total restricted net position	<u>957,661</u>
Unrestricted (deficit)	<u>(27,242,637)</u>
Total net position	<u>\$ 45,291,699</u>

Business-type Activities

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 12,747,849
Less: outstanding long term debt (net of debt premiums, discounts, and loss on refunding)	(6,731,705)
Plus: unspent bond proceeds	<u>125,776</u>
Total net investment in capital assets	<u>6,141,920</u>
Unrestricted	<u>2,487,622</u>
Total net position	<u>\$ 8,629,542</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Net Position/Fund Balances (continued)

Fund Balances

The details of the fund balances as of December 31, 2014 are as follows:

Nonspendable

Major Funds	
General Fund	
Delinquent property taxes	\$ 12,831,728
Prepayments and inventories	1,312,751
Noncurrent receivables	2,133,075
	<u>16,277,554</u>
Special Revenue Fund - Human Services Fund	
Prepayments and inventories	18,385
Nonmajor Fund	
Special Revenue Fund - Permanent fund endowments	264,246
Total nonspendable fund balance	<u>16,560,185</u>

Restricted

Major Fund - General Fund - Recreational land acquisition	308,297
Nonmajor Funds	
Debt Service Fund - Debt service	767,012
Special Revenue Fund - Permanent fund endowments	175,550
Total restricted fund balance	<u>1,250,859</u>

Committed

Major Funds	
General Fund - Nonlapsing and encumbrances	17,589,978
Human Services Fund - Nonlapsing and encumbrances	4,177,895
Nonmajor Funds	
Special Revenue Fund - County Road Maintenance	1,543,633
Special Revenue Fund - County Bridge Aids	161,549
Capital Projects Fund - Capital Projects	2,899,661
Total committed fund balance	<u>26,372,716</u>

Assigned

Nonmajor Funds	
Special Revenue Fund - County Road Maintenance	1,818,050
Capital Projects Fund - Capital Projects	79,718
Total assigned fund balance	<u>1,897,768</u>

Unassigned (deficit)

Major Fund - General Fund	14,128,108
Nonmajor Fund - Special Revenue Fund - County Handicapped Board	(7,460)
Total unassigned fund balance	<u>14,120,648</u>
Total fund balance	<u>\$ 60,202,176</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

IV. OTHER INFORMATION

A. Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, management and the County's corporate counsel has determined an amount for estimated liabilities resulting from existing claims and judgments which has been recorded in the government-wide statement of net position.

B. Intergovernmental Grants

The county has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

C. Risk Management

The County is exposed to various risks of loss including torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation; health care and injuries to employees; and natural disasters. The cost of providing these risk management services is allocated by charging a "premium" to each fund based on historical estimates of the amounts needed to pay prior and current year claims and administration costs. The charge considers recent trends in actual claims experience of the County as a whole and makes provision for losses relating to catastrophes. "Premiums" are allocated by fund based on estimated current-year payroll, property values and other appropriate factors.

Workers' Compensation and Public Liability Self Insurance

Racine County is self-funded for workers' compensation. As part of this comprehensive plan, resources are being accumulated in the General Fund to meet potential losses. In addition, various control techniques, including employee accident prevention training, have been implemented during the year to minimize accident-related losses. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$300,000 for regular claims and \$750,000 for claims that involve federal benefits (USL & H and Jones Act). The excess policy provides coverage up to \$1 million in additional available payments per occurrence after the \$300,000 retention has been met by the County. The most this policy will pay out is \$1,000,000 per policy term.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

C. Risk Management (continued)

Workers' Compensation and Public Liability Self Insurance (continued)

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

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The liability for claims and judgments other than health insurance is reported in the government-wide statement of net position as part of noncurrent liabilities. Changes in the claims liabilities for the year are as follows:

	<u>2014</u>	<u>2013</u>
Unpaid claims - beginning	\$ 3,852,872	\$ 3,503,261
Incurred claims	646,801	1,511,619
Claims paid	<u>(1,727,564)</u>	<u>(1,162,008)</u>
Unpaid claims - ending	<u>\$ 2,772,109</u>	<u>\$ 3,852,872</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 part of accrued liabilities. Changes in the claims liabilities for the year are as follows:

	<u>2014</u>	<u>2013</u>
Unpaid claims - beginning	\$ 1,818,678	\$ 1,854,202
Incurred claims	12,623,748	12,088,996
Claims paid	<u>(12,558,631)</u>	<u>(12,124,520)</u>
Unpaid claims - ending	<u>\$ 1,883,795</u>	<u>\$ 1,818,678</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans

All eligible County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from employee's date of hire, are eligible to participate in the WRS. All employees initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year, and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, and Executives and Elected Officials. Required contributions for protective employees are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

Contribution rates for 2014 are:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for County employees covered by the WRS for the year ended December 31, 2014 was \$40,818,992; the employer's total payroll was \$41,575,016. The total required contribution for the year ended December 31, 2014 was \$6,020,435 or 14.75% of covered payroll. Of this amount 100% was contributed for the current year. Total contributions for the years ending December 31, 2013 and 2012 were \$5,513,929 and \$4,927,432, respectively, equal to the required contributions for each year.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

D. Defined Benefit Pension Plans (continued)

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application 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 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

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

E. Other Post Employment Benefits

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 \$1,000 to \$5,000 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 823 retirees and 636 active plan members at December 31, 2014.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

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, 2013 need 15 years of service; (4) Racine County School Office employees who were put on layoff status on June 30, 2006, will be eligible for benefits based on service on June 30, 2006.

Retirees pay a percentage of the total 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.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-employment 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	\$ 12,371,773
Interest on annual required contribution	3,124,897
Adjustment to ARC	<u>(3,104,658)</u>
Annual OPEB cost	12,392,012
Contributions made	<u>(10,872,393)</u>
Increase in net OPEB obligation	1,519,619
Net OPEB obligation - beginning of year	<u>80,273,329</u>
Net OPEB obligation - end of year	<u>\$ 81,792,948</u>

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for December 31, 2014 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>
12/31/2012	\$ 16,228,094	46.28%	\$ 78,122,417
12/31/2013	12,392,012	82.64%	80,273,329
12/31/2014	12,392,012	87.74%	81,792,948

Funded Status and Funding Progress

As of December 31, 2013, the plan was 0% funded. The actuarial accrued liability for benefits was \$253,640,311 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$253,640,311. The covered payroll (annual payroll of active employees covered by the plan) was \$41,575,017 and the ratio of the UAAL to the covered payroll was 610.08%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include 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.

Funded Status and Funding Progress (continued)

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.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

E. Other Post Employment Benefits (continued)

Actuarial Methods and Assumptions

In the December 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% rate of return and an annual healthcare cost trend rate of 9% initially, reduced by decrements to a rate of 5% after eight years. Both rates include a 3% inflation assumption. A 3% payroll growth assumption is also used. The RP-2000 Combined Mortality Table was used to determine mortality. Turnover, disability, and retirement rates were determined using the WRS Active Actuarial Valuation as of December 31, 2012. Benefit selections, employee participation, and spousal coverage assumptions were developed based on County experience. Retiree contributions are assumed to increase according to health care trend rates which were based on past and present experience, and actuary judgment.

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 actuarial liability is being amortized using the level dollar payment amortization method on an open basis. The amortization period at December 31, 2014 is 30 years.

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.

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

The Governmental Accounting Standards Board (GASB) has approved the following: Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27, and Statement No. 71, *Pension – Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB No. 68. When they become effective, application of these standards may restate portions of these financial statements.

G. Subsequent Events

On June 15, 2015 the County issued general obligation promissory notes in the amount of \$6,955,000 with interest rates of 2.00% to 2.25%. The notes are being used to finance capital projects pursuant to the County's 2015 adopted budget and to current refund \$1,465,000 of outstanding general obligation notes.

On June 15, 2015 the County issued taxable general obligation promissory notes in the amount of \$1,030,000 with interest rates of 0.60% to 0.85%. The notes are being used to finance the County's revolving loan fund pursuant to the County's 2015 adopted budget.

COUNTY OF RACINE, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

G. Subsequent Events (continued)

In May 2015, the County approved a \$250,000 term loan to the Wisconsin Women's Business Initiative Corporation (WWBIC) for lending to business within Racine County for business development purposes. The note is for a 10-year term at 2.0% interest due May 1, 2025. Fifty percent of the total approved amount was disbursed to WWBIC on June 18, 2015.

H. Economic Dependency

Medicaid and Medicare funds represent 73% of the operating revenues of Ridgewood Healthcare Center for 2014.

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REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF RACINE, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - OPEB
For the Year Ended December 31, 2014**

<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>
<i>Racine County School Office</i>							
12/31/2012	12/31/2011	\$ -	\$ 13,895,081	\$ 13,895,081	0.00%	\$ -	N/A
12/31/2013	12/31/2013	-	21,859,763	21,859,763	0.00%	-	N/A
12/31/2014	12/31/2013	-	21,859,763	21,859,763	0.00%	-	N/A
<i>Other County Departments</i>							
12/31/2012	12/31/2011	\$ -	\$ 244,607,174	\$ 244,607,174	0.00%	\$ 40,527,197	603.56%
12/31/2013	12/31/2013	-	231,780,548	231,780,548	0.00%	40,478,489	572.60%
12/31/2014	12/31/2013	-	231,780,548	231,780,548	0.00%	41,575,017	557.50%
<i>Total</i>							
12/31/2012	12/31/2011	\$ -	\$ 258,502,255	\$ 258,502,255	0.00%	\$ 40,527,197	637.85%
12/31/2013	12/31/2013	-	253,640,311	253,640,311	0.00%	40,478,489	626.61%
12/31/2014	12/31/2013	-	253,640,311	253,640,311	0.00%	41,575,017	610.08%

SUPPLEMENTARY 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 County's general obligation long-term debt.

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
As of December 31, 2014

	<u>Special Revenue</u>					<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>County Road Maintenance</u>	<u>County Handicapped Education</u>	<u>County Bridge Aids</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
ASSETS							
Receivables:							
Property taxes	\$ -	\$ 926,899	\$ -	\$ 6,023,301	\$ -	\$ -	\$ 6,950,200
Due from other funds	4,131,653	-	161,549	277,107	3,125,053	74,488	7,769,850
Restricted cash and investments	-	-	-	489,905	-	367,289	857,194
Total assets	<u>\$ 4,131,653</u>	<u>\$ 926,899</u>	<u>\$ 161,549</u>	<u>\$ 6,790,313</u>	<u>\$ 3,125,053</u>	<u>\$ 441,777</u>	<u>\$ 15,577,244</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 769,970	\$ -	\$ -	\$ -	\$ 145,674	\$ -	\$ 915,644
Due to other funds	-	7,460	-	-	-	1,981	9,441
Total liabilities	<u>769,970</u>	<u>7,460</u>	<u>-</u>	<u>-</u>	<u>145,674</u>	<u>1,981</u>	<u>925,085</u>
Deferred Inflows							
Unearned revenues	-	926,899	-	6,023,301	-	-	6,950,200
Fund Balances (Deficit)							
Nonspendable	-	-	-	-	-	264,246	264,246
Restricted for							
Debt service	-	-	-	767,012	-	-	767,012
Endowments	-	-	-	-	-	175,550	175,550
Committed	1,543,633	-	161,549	-	2,899,661	-	4,604,843
Assigned	1,818,050	-	-	-	79,718	-	1,897,768
Unassigned (deficit)	-	(7,460)	-	-	-	-	(7,460)
Total fund balances (deficit)	<u>3,361,683</u>	<u>(7,460)</u>	<u>161,549</u>	<u>767,012</u>	<u>2,979,379</u>	<u>439,796</u>	<u>7,701,959</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,131,653</u>	<u>\$ 926,899</u>	<u>\$ 161,549</u>	<u>\$ 6,790,313</u>	<u>\$ 3,125,053</u>	<u>\$ 441,777</u>	<u>\$ 15,577,244</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	<u>Special Revenue</u>					<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>County Road Maintenance</u>	<u>County Handicapped Education</u>	<u>County Bridge Aids</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
REVENUES							
Taxes	\$ -	\$ 1,099,318	\$ -	\$ 5,579,694	\$ -	\$ -	\$ 6,679,012
Intergovernmental	2,902,936	-	-	-	-	6,946	2,909,882
Investment income	-	-	-	420	-	3,010	3,430
Miscellaneous	640	-	-	938,033	14,600	-	953,273
Total revenues	<u>2,903,576</u>	<u>1,099,318</u>	<u>-</u>	<u>6,518,147</u>	<u>14,600</u>	<u>9,956</u>	<u>10,545,597</u>
EXPENDITURES							
Current:							
Education and recreation	-	1,060,190	-	-	-	29,125	1,089,315
Highways and streets	8,598,534	-	74,258	-	-	-	8,672,792
Capital outlay	-	-	-	-	2,629,808	-	2,629,808
Debt service:							
Principal retirement	-	-	-	5,575,762	-	-	5,575,762
Interest and fiscal charges	-	-	-	1,467,319	-	-	1,467,319
Total expenditures	<u>8,598,534</u>	<u>1,060,190</u>	<u>74,258</u>	<u>7,043,081</u>	<u>2,629,808</u>	<u>29,125</u>	<u>19,434,996</u>
Excess (deficiency) of revenues over expenditures	<u>(5,694,958)</u>	<u>39,128</u>	<u>(74,258)</u>	<u>(524,934)</u>	<u>(2,615,208)</u>	<u>(19,169)</u>	<u>(8,889,399)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	5,229,188	-	-	-	1,285,406	-	6,514,594
Transfers out	-	-	-	(510,022)	(4,419,165)	-	(4,929,187)
Proceeds from sale of capital assets	-	-	-	-	32,067	-	32,067
Issuance of general obligation debt	-	-	-	-	6,135,000	-	6,135,000
Net premium on issuance of debt	-	-	-	143,463	-	-	143,463
Total other financing sources (uses)	<u>5,229,188</u>	<u>-</u>	<u>-</u>	<u>(366,559)</u>	<u>3,033,308</u>	<u>-</u>	<u>7,895,937</u>
Net change in fund balances	(465,770)	39,128	(74,258)	(891,493)	418,100	(19,169)	(993,462)
FUND BALANCES							
Beginning of year (deficit)	<u>3,827,453</u>	<u>(46,588)</u>	<u>235,807</u>	<u>1,658,505</u>	<u>2,561,279</u>	<u>458,965</u>	<u>8,695,421</u>
End of year (deficit)	<u>\$ 3,361,683</u>	<u>\$ (7,460)</u>	<u>\$ 161,549</u>	<u>\$ 767,012</u>	<u>\$ 2,979,379</u>	<u>\$ 439,796</u>	<u>\$ 7,701,959</u>

COUNTY OF RACINE, WISCONSIN
COUNTY ROAD MAINTENANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 2,240,000	\$ 2,240,000	\$ 2,902,936	\$ 662,936
Miscellaneous	-	-	640	640
Total revenues	<u>2,240,000</u>	<u>2,240,000</u>	<u>2,903,576</u>	<u>663,576</u>
EXPENDITURES				
Current:				
Highways and streets	<u>4,034,188</u>	<u>4,034,188</u>	<u>8,598,534</u>	<u>(4,564,346)</u>
Deficiency of revenues over expenditures	<u>(1,794,188)</u>	<u>(1,794,188)</u>	<u>(5,694,958)</u>	<u>(3,900,770)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>4,929,188</u>	<u>5,229,188</u>	<u>5,229,188</u>	-
Total other financing sources	<u>4,929,188</u>	<u>5,229,188</u>	<u>5,229,188</u>	-
Net change in fund balances	<u>\$ 3,135,000</u>	<u>\$ 3,435,000</u>	(465,770)	<u>\$ (3,900,770)</u>
FUND BALANCES				
Beginning of year			<u>3,827,453</u>	
End of year			<u>\$ 3,361,683</u>	

COUNTY OF RACINE, WISCONSIN
COUNTY HANDICAPPED EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
REVENUES				
Taxes	\$ 1,099,318	\$ 1,099,318	\$ 1,099,318	\$ -
EXPENDITURES				
Current:				
Education and recreation	<u>1,099,318</u>	<u>1,099,318</u>	<u>1,060,190</u>	<u>39,128</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	39,128	<u>\$ 39,128</u>
FUND BALANCES				
Beginning of year (Deficit)			<u>(46,588)</u>	
End of year (Deficit)			<u>\$ (7,460)</u>	

COUNTY OF RACINE, WISCONSIN
COUNTY BRIDGE AIDS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Highways and streets	-	-	74,258	(74,258)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(74,258)	<u>\$ (74,258)</u>
FUND BALANCES				
Beginning of year			<u>235,807</u>	
End of year			<u>\$161,549</u>	

**COUNTY OF RACINE, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 5,579,694	\$ 5,579,694	\$ 5,579,694	\$ -
Investment income	-	-	420	420
Miscellaneous	<u>1,234,523</u>	<u>1,234,523</u>	<u>938,033</u>	<u>(296,490)</u>
Total revenues	<u>6,814,217</u>	<u>6,814,217</u>	<u>6,518,147</u>	<u>(296,070)</u>
EXPENDITURES				
Debt Service:				
Principal retirement	5,575,761	5,575,761	5,575,762	(1)
Interest and fiscal charges	<u>1,324,136</u>	<u>1,324,136</u>	<u>1,467,319</u>	<u>(143,183)</u>
Total Expenditures	<u>6,899,897</u>	<u>6,899,897</u>	<u>7,043,081</u>	<u>(143,184)</u>
Deficiency of revenues over expenditures	<u>(85,680)</u>	<u>(85,680)</u>	<u>(524,934)</u>	<u>(439,254)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(510,022)	(510,022)	(510,022)	-
Net premium on issuance of debt	<u>-</u>	<u>-</u>	<u>143,463</u>	<u>143,463</u>
Total other financing sources (uses)	<u>(510,022)</u>	<u>(510,022)</u>	<u>(366,559)</u>	<u>143,463</u>
Net change in fund balances	<u>\$ (595,702)</u>	<u>\$ (595,702)</u>	(891,493)	<u>\$ (295,791)</u>
FUND BALANCES				
Beginning of year			<u>1,658,505</u>	
End of year			<u>\$ 767,012</u>	

**COUNTY OF RACINE, WISCONSIN
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ 14,600	\$ 14,600	\$ -
EXPENDITURES				
Capital outlay	<u>4,409,518</u>	<u>2,629,809</u>	<u>2,629,808</u>	<u>1</u>
Deficiency of revenues over expenditures	<u>(4,409,518)</u>	<u>(2,615,209)</u>	<u>(2,615,208)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	967,994	1,285,406	1,285,406	-
Transfers out	(4,414,165)	(4,419,165)	(4,419,165)	-
Proceeds from sale of capital assets	26,500	32,067	32,067	-
Issuance of general obligation debt	<u>6,106,004</u>	<u>6,135,000</u>	<u>6,135,000</u>	-
Total other financing sources (uses)	<u>2,686,333</u>	<u>3,033,308</u>	<u>3,033,308</u>	-
Net change in fund balances	<u>\$ (1,723,185)</u>	<u>\$ 418,099</u>	418,100	<u>\$ 1</u>
FUND BALANCES				
Beginning of year			<u>2,561,279</u>	
End of year			<u>\$ 2,979,379</u>	

INTERNAL SERVICE FUNDS

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

- Billable
- Fringe Benefits
- Fleet

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
As of December 31, 2014

	Billable	Fringe Benefits	Fleet	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 700
Receivables:				
Due from other governments	1,495,131	-	1,419	1,496,550
Accounts	29,837	-	-	29,837
Due from other funds	-	216,970	3,440,042	3,657,012
Inventories	472,610	-	393,181	865,791
Prepaid items	528	-	-	528
Total current assets	1,998,806	216,970	3,834,642	6,050,418
Noncurrent assets				
Construction in progress	-	-	671,055	671,055
Capital assets being depreciated:				
Buildings	-	-	5,594,275	5,594,275
Improvements other than buildings	-	-	1,935,226	1,935,226
Machinery and equipment	43,831	-	11,154,674	11,198,505
Less: accumulated depreciation	(37,257)	-	(10,760,174)	(10,797,431)
Total noncurrent assets	6,574	-	8,595,056	8,601,630
Total assets	2,005,380	216,970	12,429,698	14,652,048
LIABILITIES AND NET POSITION				
LIABILITIES				
Current liabilities				
Accounts payable	68,422	-	237,460	305,882
Accrued liabilities	157,637	385,757	(6,031)	537,363
Due to other funds	1,628,567	-	-	1,628,567
Current maturities on bonds payable	-	-	9,929	9,929
Total current liabilities	1,854,626	385,757	241,358	2,481,741
Noncurrent liabilities				
Long term maturities on bonds payable	-	-	76,336	76,336
Total liabilities	1,854,626	385,757	317,694	2,558,077
NET POSITION (DEFICIT)				
Net investment in capital assets	6,574	-	8,508,791	8,515,365
Unrestricted (deficit)	144,180	(168,787)	3,603,213	3,578,606
Total net position (deficit)	\$ 150,754	\$ (168,787)	\$ 12,112,004	\$ 12,093,971

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION (DEFICIT) - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2014

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUES				(1) (1,119,530)	
Highway charges and fees	\$ 8,585,962	\$ 2,075,451	\$ 2,900,047	(2) (1,460,931)	\$ 10,980,999
Other	25,356	-	36,579	-	61,935
Total operating revenues	<u>8,611,318</u>	<u>2,075,451</u>	<u>2,936,626</u>	<u>(2,580,461)</u>	<u>11,042,934</u>
OPERATING EXPENSES				(1) (1,119,530)	
Current				(2) (1,460,931)	
Highway maintenance	8,483,139	2,121,039	1,862,833	-	9,886,550
Depreciation	414	-	722,223	-	722,637
Total operating expenses	<u>8,483,553</u>	<u>2,121,039</u>	<u>2,585,056</u>	<u>(2,580,461)</u>	<u>10,609,187</u>
Operating income (loss)	<u>127,765</u>	<u>(45,588)</u>	<u>351,570</u>	<u>-</u>	<u>433,747</u>
NONOPERATING EXPENSE					
Interest expense	-	-	(1,891)	-	(1,891)
Loss on disposal of capital assets	(16,545)	-	(13,068)	-	(29,613)
Total nonoperating expense	<u>(16,545)</u>	<u>-</u>	<u>(14,959)</u>	<u>-</u>	<u>(31,504)</u>
Income (loss) before transfers	<u>111,220</u>	<u>(45,588)</u>	<u>336,611</u>	<u>-</u>	<u>402,243</u>
TRANSFERS					
Transfers in	16,000	-	1,130,330	-	1,146,330
Transfers out	-	-	(974,000)	-	(974,000)
Total net transfers	<u>16,000</u>	<u>-</u>	<u>156,330</u>	<u>-</u>	<u>172,330</u>
Change in net position	127,220	(45,588)	492,941	-	574,573
NET POSITION (DEFICIT)					
Beginning of year	<u>23,534</u>	<u>(123,199)</u>	<u>11,619,063</u>	<u>-</u>	<u>11,519,398</u>
End of year	<u>\$ 150,754</u>	<u>\$ (168,787)</u>	<u>\$ 12,112,004</u>	<u>\$ -</u>	<u>\$ 12,093,971</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
For the Year Ended December 31, 2014**

	<u>Billable</u>	<u>Fringe Benefits</u>	<u>Fleet</u>	<u>Eliminations</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers and users	\$ 4,694,917	\$ 955,921	\$ 1,429,313	\$ -	\$ 7,080,151
Received from interfund services provided	4,084,569	1,167,675	2,231,267	(2,580,461)	4,903,050
Paid for interfund services provided	(4,135,693)	-	-	2,580,461	(1,555,232)
Paid to suppliers	(2,230,492)	-	(1,457,496)	-	(3,687,988)
Paid to employees	(2,429,301)	(2,123,596)	(402,987)	-	(4,955,884)
Net cash from operating activities	<u>(16,000)</u>	<u>-</u>	<u>1,800,097</u>	<u>-</u>	<u>1,784,097</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	16,000	-	1,130,330	-	1,146,330
Transfers out	<u>-</u>	<u>-</u>	<u>(974,000)</u>	<u>-</u>	<u>(974,000)</u>
Net cash from noncapital financing activities	<u>16,000</u>	<u>-</u>	<u>156,330</u>	<u>-</u>	<u>172,330</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	-	(1,939,096)	-	(1,939,096)
Principal paid on capital debt	-	-	(15,440)	-	(15,440)
Interest paid on capital debt	<u>-</u>	<u>-</u>	<u>(1,891)</u>	<u>-</u>	<u>(1,891)</u>
Net cash from capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,956,427)</u>	<u>-</u>	<u>(1,956,427)</u>
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
CASH AND CASH EQUIVALENTS					
Beginning of year	<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>
End of year	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 127,765	\$ (45,588)	\$ 351,570	\$ -	\$ 433,747
Adjustments to reconcile to net cash from operating activities:					
Depreciation	414	-	722,223	-	722,637
Changes in assets and liabilities:					
Receivables	168,168	-	(1,419)	-	166,749
Due from other funds	-	48,145	725,373	-	773,518
Inventories	(278,713)	-	(4,304)	-	(283,017)
Prepaid items	(508)	-	724	-	216
Accounts payable	(79,582)	-	11,961	-	(67,621)
Due to other funds	68,869	-	-	-	68,869
Other liabilities	(22,413)	(2,557)	(6,031)	-	(31,001)
Net cash from operating activities	<u>\$ (16,000)</u>	<u>\$ -</u>	<u>\$ 1,800,097</u>	<u>\$ -</u>	<u>\$ 1,784,097</u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

None

AGENCY FUNDS

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The County's 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:

- Clerk of Courts – To account for the receipt and disbursement of court-ordered payments to third parties.
- Unclaimed Funds – funds held by the County that are unclaimed per Wisconsin state statutes.
- Other – receipt and disbursement of funds for small items such as the County's United Way employee donation campaign, Sheriff trust funds for Huber and other inmates, and the employee activity committee.
- Property Taxes – receipt and disbursement of property tax payments by the County Treasurer to local municipalities.

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS
As of December 31, 2014

	<u>Agency Funds</u>				Total Agency Funds
	<u>Court</u>	<u>Unclaimed Funds</u>	<u>Other</u>	<u>Taxes</u>	
ASSETS					
Cash and investments	\$ 3,374,538	\$ -	\$ 735,245	\$ -	\$ 4,109,783
Receivables:					
Delinquent property taxes	-	-	-	632,924	632,924
Accounts	-	585,094	64,769	925	650,788
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,374,538</u>	<u>\$ 585,094</u>	<u>\$ 800,014</u>	<u>\$ 633,849</u>	<u>\$ 5,393,495</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 57,738	\$ 925	\$ 58,663
Agency deposits	3,374,538	585,094	742,276	632,924	5,334,832
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 3,374,538</u>	<u>\$ 585,094</u>	<u>\$ 800,014</u>	<u>\$ 633,849</u>	<u>\$ 5,393,495</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
For the Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<u>COURT</u>				
ASSETS				
Cash and investments	\$ 3,570,865	\$ 10,462,038	\$ 10,658,365	\$ 3,374,538
LIABILITIES				
Agency deposits	\$ 3,570,865	\$ 10,462,038	\$ 10,658,365	\$ 3,374,538
<u>UNCLAIMED FUNDS</u>				
ASSETS				
Accounts receivable	\$ 586,919	\$ 9,826	\$ 11,651	\$ 585,094
LIABILITIES				
Agency deposits	\$ 586,919	\$ 9,826	\$ 11,651	\$ 585,094
<u>OTHER</u>				
ASSETS				
Cash and investments	\$ 796,224	\$ 870,075	\$ 931,054	\$ 735,245
Accounts receivable	68,968	527,720	531,919	64,769
Total assets	<u>\$ 865,192</u>	<u>\$ 1,397,795</u>	<u>\$ 1,462,973</u>	<u>\$ 800,014</u>
LIABILITIES				
Accounts payable	\$ 76,993	\$ 774,302	\$ 793,557	\$ 57,738
Agency deposits	788,199	1,455,236	1,501,159	742,276
Total liabilities	<u>\$ 865,192</u>	<u>\$ 2,229,538</u>	<u>\$ 2,294,716</u>	<u>\$ 800,014</u>

COUNTY OF RACINE, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
For the Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<u>TAXES</u>				
ASSETS				
Receivables				
Delinquent property taxes	\$ 491,859	\$ 337,471	\$ 196,406	\$ 632,924
Accounts	90	134,390	133,555	925
Total assets	<u>\$ 491,949</u>	<u>\$ 471,861</u>	<u>\$ 329,961</u>	<u>\$ 633,849</u>
LIABILITIES				
Accounts payable	\$ 90	\$ 134,390	\$ 133,555	\$ 925
Agency deposits	491,859	337,471	196,406	632,924
Total liabilities	<u>\$ 491,949</u>	<u>\$ 471,861</u>	<u>\$ 329,961</u>	<u>\$ 633,849</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 4,367,089	\$ 11,332,113	\$ 11,589,419	\$ 4,109,783
Receivables:				
Delinquent property taxes	491,859	337,471	196,406	632,924
Accounts	655,977	671,936	677,125	650,788
Total assets	<u>\$ 5,514,925</u>	<u>\$ 12,341,520</u>	<u>\$ 12,462,950</u>	<u>\$ 5,393,495</u>
LIABILITIES				
Accounts payable	\$ 77,083	\$ 908,692	\$ 927,112	\$ 58,663
Agency deposits	5,437,842	12,264,571	12,367,581	5,334,832
Total liabilities	<u>\$ 5,514,925</u>	<u>\$ 13,173,263</u>	<u>\$ 13,294,693</u>	<u>\$ 5,393,495</u>

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

COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
As of December 31, 2014 and 2013

	2014	2013
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 21,812,455	\$ 21,812,455
Buildings	63,414,023	63,080,850
Improvements other than buildings	16,558,091	16,380,244
Machinery and equipment	19,698,033	16,922,839
Infrastructure	46,229,385	43,482,690
Construction in progress	<u>3,858,431</u>	<u>3,273,083</u>
Total governmental funds capital assets	<u>\$ 171,570,418</u>	<u>\$ 164,952,161</u>
INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
General Fund	\$ 121,883,498	\$ 121,883,526
Special Revenue Fund	<u>49,686,920</u>	<u>43,068,635</u>
Total governmental funds capital assets	<u>\$ 171,570,418</u>	<u>\$ 164,952,161</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 position.

COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2014

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets January 1, 2014	Additions	Deductions	Governmental Funds Capital Assets December 31, 2014
General government	\$ 11,182,716	\$ 1,607,895	\$ 1,695,206	\$ 11,095,405
Public Safety	52,852,401	795,228	471,018	53,176,611
Health and social service	18,940,861	443,970	-	19,384,831
Education and recreation	37,399,216	1,072,243	-	38,471,459
Highway and Streets	44,311,722	4,855,145	-	49,166,867
Development	<u>265,245</u>	<u>10,000</u>	<u>-</u>	<u>275,245</u>
 Total governmental funds capital assets	 <u>\$ 164,952,161</u>	 <u>\$ 8,784,481</u>	 <u>\$ 2,166,224</u>	 <u>\$ 171,570,418</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 position.

COUNTY OF RACINE, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2014

<u>FUNCTION AND ACTIVITY</u>	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Total</u>
General government	\$ 239,770	\$ 868,127	\$ 5,542,314	\$ 4,398,113	\$ -	\$ 47,081	\$ 11,095,405
Public safety	1,532,928	422,971	37,415,182	13,799,047	-	6,483	53,176,611
Health and social services	370,104	10,623	17,795,999	1,002,966	-	205,139	19,384,831
Education and recreation	19,195,911	15,256,370	2,660,528	-	-	1,358,650	38,471,459
Highways and streets	275,092	-	-	431,311	46,229,385	2,231,079	49,166,867
Development	198,650	-	-	66,595	-	10,000	275,245
Total governmental funds capital assets	<u>\$ 21,812,455</u>	<u>\$ 16,558,091</u>	<u>\$ 63,414,023</u>	<u>\$ 19,698,032</u>	<u>\$ 46,229,385</u>	<u>\$ 3,858,432</u>	<u>\$ 171,570,418</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 position.

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 contain 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.

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COUNTY OF RACINE, WISCONSIN
TABLE 1 - NET POSITION BY COMPONENT
For the fiscal years ended December 31, 2005 through 2014

	<u>2005 (a)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (b)</u>	<u>2014</u>
<u>Governmental Activities</u>										
Net investment in capital assets	\$ 60,278,910	\$ 65,978,699	\$ 64,472,210	\$ 62,153,295	\$ 64,602,042	\$ 66,620,814	\$ 66,531,523	\$ 70,301,141	\$ 70,793,526	\$ 71,576,675
Restricted	1,140,931	637,251	847,185	674,038	789,986	479,523	1,192,375	864,347	1,894,330	957,661
Unrestricted (deficit)	<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>	<u>(30,922,432)</u>	<u>(29,577,819)</u>	<u>(27,242,637)</u>
Total Governmental Activities Net position	<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>\$ 40,243,056</u>	<u>\$ 43,110,037</u>	<u>\$ 45,291,699</u>
<u>Business-type Activities</u>										
Net investment in capital assets	\$ 3,033,759	\$ 4,438,689	\$ 4,907,956	\$ 4,889,408	\$ 5,160,995	\$ 5,547,951	\$ 5,652,137	\$ 6,454,139	\$ 6,416,321	\$ 6,141,920
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	<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>	<u>2,829,498</u>	<u>2,176,791</u>	<u>2,487,622</u>
Total Business-type Activities Net Position	<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>\$ 9,283,637</u>	<u>\$ 8,593,112</u>	<u>\$ 8,629,542</u>
<u>Primary Government</u>										
Net investment in capital assets	\$ 63,312,669	\$ 70,417,388	\$ 69,380,166	\$ 67,042,703	\$ 69,763,037	\$ 72,168,765	\$ 72,183,660	\$ 76,755,280	\$ 77,209,847	\$ 77,718,595
Restricted	1,140,931	637,251	847,185	674,038	789,986	479,523	1,192,375	864,347	1,894,330	957,661
Unrestricted (deficit)	<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>	<u>(28,092,934)</u>	<u>(27,401,028)</u>	<u>(24,755,015)</u>
Total Primary Government Net Position	<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>	<u>\$ 49,526,693</u>	<u>\$ 51,703,149</u>	<u>\$ 53,921,241</u>

Notes:

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

(b) Beginning net position was restated (decreased) in 2013 for governmental activities (\$339,511) and business-type activities (\$52,580) due to implementation of GASB Statement No. 65.

COUNTY OF RACINE, WISCONSIN
TABLE 2 - CHANGES IN NET POSITION
For the fiscal years ended December 31, 2005 through 2014
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 15,211,124	\$ 12,835,356	\$ 20,202,595	\$ 19,272,110	\$ 23,739,108	\$ 18,930,580	\$ 18,794,913	\$ 21,188,097	\$ 13,569,972	\$ 12,976,425
Public safety	27,309,261	28,360,700	32,274,541	35,168,361	34,024,144	36,686,794	34,917,243	36,176,316	37,877,728	38,393,851
Health and social services	57,866,026	58,034,621	52,824,076	48,302,880	52,062,294	53,773,095	50,582,992	46,463,188	37,250,748	38,694,931
Education and recreation	18,384,238	17,167,001	10,556,142	5,488,627	5,609,494	6,821,539	6,271,197	5,841,238	5,581,326	5,855,624
Development	1,465,373	1,797,075	1,829,023	1,920,204	2,634,043	2,599,970	4,286,674	4,522,382	2,353,909	2,440,431
Highways and streets	8,581,834	4,185,199	8,446,110	6,130,001	5,482,591	7,478,321	6,845,619	6,270,486	5,221,320	5,477,378
Interest and fiscal charges	1,156,617	1,728,911	1,932,145	1,948,449	1,869,319	1,809,819	1,815,230	1,656,893	1,673,271	1,445,188
Total governmental activities expenses	<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>	<u>122,118,600</u>	<u>103,528,274</u>	<u>105,283,828</u>
Business-type activities:										
Healthcare Center	15,267,970	15,548,773	15,216,728	15,914,514	15,894,918	16,203,632	16,497,328	17,150,754	16,355,002	16,574,797
Reefpoint Marina	-	-	-	-	-	-	-	1,181,067	1,249,377	1,406,869
Behavioral Health Services	-	-	-	-	-	-	-	-	8,674,917	9,117,500
Golf Courses	203,698	223,706	204,218	208,672	206,099	232,445	236,165	262,551	287,433	307,278
Total Business-type activities expenses	<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>	<u>18,594,372</u>	<u>26,566,729</u>	<u>27,406,444</u>
Total expenses	<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>	<u>\$ 140,712,972</u>	<u>\$ 130,095,003</u>	<u>\$ 132,690,272</u>
Program Revenues:										
Governmental activities:										
Charges for services										
General government	\$ 4,788,159	\$ 4,969,487	\$ 5,074,518	\$ 4,195,317	\$ 4,073,569	\$ 4,548,389	\$ 4,689,931	\$ 4,747,056	\$ 4,573,756	\$ 4,396,263
Public safety	2,761,912	2,550,205	2,722,314	2,698,244	2,595,433	2,781,480	2,882,137	2,941,499	2,921,337	2,937,753
Health and social services	4,073,627	3,369,743	3,170,594	3,156,333	3,311,152	2,548,689	2,222,133	3,058,583	1,857,573	1,879,599
Education and recreation	346,023	247,248	265,734	283,086	276,205	261,235	244,946	259,031	266,987	272,202
Development	365,533	627,803	510,589	387,198	398,080	430,785	428,282	205,898	229,684	225,470
Highways and streets	3,645,523	-	-	-	-	-	-	-	-	-
Operating grants and contributions	58,782,167	58,715,473	44,542,997	40,255,813	44,027,768	44,230,307	45,995,983	43,786,043	36,635,567	37,989,509
Capital grants and contributions	1,213,004	239,882	566,080	544,396	105,723	3,724,789	494,122	1,088,365	1,636,688	1,034,054
Total governmental activities program revenues	<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>	<u>56,086,475</u>	<u>48,121,592</u>	<u>48,734,850</u>
Business-type activities:										
Charges for services										
Healthcare Center	11,524,630	13,584,355	14,310,480	16,003,467	16,344,857	16,638,538	17,102,754	16,153,936	15,148,338	15,819,653
Reefpoint Marina	-	-	-	-	-	-	-	1,431,574	1,286,692	1,447,015
Behavioral Health Services	-	-	-	-	-	-	-	-	8,982,852	9,143,200
Golf Courses	405,133	432,681	445,247	402,179	408,822	409,461	289,804	314,984	294,076	298,911
Total business-type activities program revenues	<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>	<u>17,900,494</u>	<u>25,711,958</u>	<u>26,708,779</u>
Total program revenues	<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>	<u>\$ 73,986,969</u>	<u>\$ 73,833,550</u>	<u>\$ 75,443,629</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (53,998,525)	\$ (53,389,022)	\$ (71,211,806)	\$ (66,710,245)	\$ (70,633,063)	\$ (69,574,444)	\$ (66,556,334)	\$ (66,032,125)	\$ (55,406,682)	\$ (56,548,978)
Business-type activities	(3,541,905)	(1,755,443)	(665,219)	282,460	652,662	611,922	659,065	(693,878)	(854,771)	(697,665)
Total net expense	<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>	<u>\$ (66,726,003)</u>	<u>\$ (56,261,453)</u>	<u>\$ (57,246,643)</u>

General Revenues and Other Changes in Net Position:

Governmental activities:

Property taxes	\$ 50,513,512	\$ 52,160,158	\$ 48,167,630	\$ 50,239,596	\$ 51,397,357	\$ 45,887,633	\$ 45,035,318	\$ 51,540,458	\$ 51,378,111	\$ 51,962,329
Other taxes	-	-	-	-	-	-	-	92,821	323	123
Grants and contributions not restricted to specific programs	6,419,736	4,557,451	4,067,151	3,955,614	4,050,922	5,739,176	5,761,091	2,711,964	2,757,895	2,745,176
Unrestricted investment earnings	3,436,787	5,465,557	5,716,429	4,020,086	3,288,586	3,879,971	3,840,094	3,754,217	3,487,113	3,243,584
Gain (loss) on sale of capital assets	1,145,335	-	365,033	-	-	3,322,839	4,128,649	-	-	-
Other	954,445	791,759	989,139	1,072,460	1,341,935	1,190,070	1,401,946	1,115,493	1,206,511	1,513,197
Transfers	(3,503,343)	(1,755,412)	(1,216,994)	(118,035)	697,353	(1,004,147)	(1,558,276)	(1,133,356)	(216,779)	(733,769)
Total governmental activities	<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>	<u>58,081,597</u>	<u>58,613,174</u>	<u>58,730,640</u>

Business-type activities:

Unrestricted investment earnings	-	-	-	-	-	-	-	67	47	326
Other	-	-	-	-	-	-	96	-	-	-
Transfers	3,503,343	1,755,412	1,216,994	118,035	(697,353)	1,004,147	1,558,276	1,133,356	216,779	733,769
Total business-type activities	<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>	<u>1,133,423</u>	<u>216,826</u>	<u>734,095</u>
Total	<u>\$ 62,469,815</u>	<u>\$ 62,974,925</u>	<u>\$ 59,305,382</u>	<u>\$ 59,287,756</u>	<u>\$ 60,078,800</u>	<u>\$ 60,019,689</u>	<u>\$ 60,167,194</u>	<u>\$ 59,215,020</u>	<u>\$ 58,830,000</u>	<u>\$ 59,464,735</u>

Change in Net Position:

Governmental activities	\$ 4,967,947	\$ 7,830,491	\$ (13,123,418)	\$ (7,540,524)	\$ (9,856,910)	\$ (10,558,902)	\$ (7,947,512)	\$ (7,950,528)	\$ 3,206,492	\$ 2,181,662
Business-type activities	(38,562)	(31)	551,775	400,495	(44,691)	1,616,069	2,217,437	439,545	(637,945)	36,430
Total	<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>	<u>\$ (7,510,983)</u>	<u>\$ 2,568,547</u>	<u>\$ 2,218,092</u>

COUNTY OF RACINE, WISCONSIN
TABLE 3 - FUND BALANCES, GOVERNMENTAL FUNDS
For the fiscal years ended December 31, 2005 through 2014
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 *</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund:										
Reserved	\$ 9,045,064	\$ 8,875,786	\$ 10,128,884	\$ 10,416,277	\$ 11,952,172	\$ 13,866,026	\$ -	\$ -	\$ -	\$ -
Unreserved	19,590,968	25,974,133	28,928,155	32,126,060	33,518,452	31,102,669	-	-	-	-
Nonspendable	-	-	-	-	-	-	12,857,104	15,904,149	15,800,363	16,277,554
Restricted	-	-	-	-	-	-	712,400	311,936	312,246	308,297
Committed	-	-	-	-	-	-	16,956,084	14,307,806	16,293,451	17,589,978
Unassigned	-	-	-	-	-	-	17,942,581	15,193,056	15,704,799	14,128,108
Total General Fund	<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>	<u>45,716,947</u>	<u>48,110,859</u>	<u>48,303,937</u>
Other governmental funds:										
Reserved	5,178,685	18,263,175	6,541,413	1,441,945	1,168,148	846,239	-	-	-	-
Unreserved - reported in:										
Special Revenue Funds	6,522,308	6,936,368	1,681,422	1,392,535	3,502,467	5,546,339	-	-	-	-
Capital Projects Fund	-	(393,605)	(217,852)	2,823,422	2,288,885	2,411,224	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	298,773	276,631	271,627	282,631
Restricted	-	-	-	-	-	-	409,299	622,723	1,851,244	942,562
Committed	-	-	-	-	-	-	8,188,351	7,679,370	7,331,450	8,782,738
Assigned	-	-	-	-	-	-	2,275,724	2,794,177	2,500,134	1,897,768
Unassigned (deficit)	-	-	-	-	-	-	-	-	(46,588)	(7,460)
Total other governmental funds	<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>	<u>11,372,901</u>	<u>11,907,867</u>	<u>11,898,239</u>
TOTAL FUND BALANCES	<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>	<u>\$ 57,089,848</u>	<u>\$ 60,018,726</u>	<u>\$ 60,202,176</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, 2005 through 2014
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues:										
Property taxes	\$ 50,521,783	\$ 52,388,683	\$ 47,814,884	\$ 49,372,687	\$ 50,512,920	\$ 50,809,305	\$ 50,987,609	\$ 50,909,907	\$ 51,109,127	\$ 51,293,780
Intergovernmental	66,414,907	63,465,636	48,868,770	44,752,263	48,168,013	51,525,420	50,287,457	47,599,909	40,536,437	41,598,070
Fines and fees	8,295,863	8,010,299	8,425,546	7,496,111	7,086,991	7,716,658	7,749,642	8,427,429	8,655,700	8,590,341
Interest income	3,436,787	5,465,557	5,716,429	4,020,086	3,288,586	3,322,839	4,128,649	3,754,217	3,487,113	3,243,584
Miscellaneous	4,993,836	4,582,207	4,598,005	4,248,842	4,902,184	4,237,942	3,714,587	3,708,088	2,413,387	2,805,693
Total revenues	<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>	<u>114,399,550</u>	<u>106,201,764</u>	<u>107,531,468</u>
Expenditures:										
Current:										
General government	14,137,998	12,843,110	16,594,996	16,727,647	19,873,265	14,054,302	15,726,460	17,862,727	12,566,127	12,787,706
Public safety	25,337,146	26,243,408	26,661,328	26,898,723	26,553,273	29,558,926	32,962,956	33,147,567	33,667,840	35,090,055
Health and social services	57,539,864	57,602,914	49,332,379	45,457,526	47,089,952	48,174,139	47,021,339	43,808,518	37,012,809	37,967,539
Education and recreation	18,294,569	17,242,794	10,104,371	5,325,158	4,853,010	4,841,796	4,860,902	4,511,189	4,995,648	5,097,913
Development	1,446,227	1,614,327	1,792,841	1,924,273	1,715,127	1,647,439	2,725,818	3,051,344	1,357,363	1,455,472
Highways and streets	6,404,777	5,059,296	6,186,109	6,882,353	6,527,834	8,679,234	6,114,854	7,266,428	7,777,129	9,577,062
Capital outlay	2,251,832	8,274,477	13,395,339	3,485,171	1,971,496	3,180,033	4,426,458	6,148,346	5,765,958	3,733,621
Debt service principal	2,425,562	2,736,264	3,186,996	3,500,870	3,953,246	4,383,769	4,309,329	12,667,058	5,511,131	5,575,762
Debt service interest and fiscal charges	1,190,233	1,690,231	1,950,674	1,922,244	1,891,891	1,835,396	1,744,994	1,717,804	1,619,324	1,467,319
Total Expenditures	<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>	<u>130,180,981</u>	<u>110,273,329</u>	<u>112,752,449</u>
Excess (deficiency) of revenues over expenditures	<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>	<u>(15,781,431)</u>	<u>(4,071,565)</u>	<u>(5,220,981)</u>
Other Financing Sources (Uses):										
Transfers in	14,828,422	6,143,681	6,051,557	15,510,168	19,960,104	15,805,719	13,579,254	13,122,729	15,049,544	12,314,105
Transfers out	(18,514,437)	(8,621,002)	(7,396,603)	(15,970,514)	(19,601,539)	(16,640,476)	(15,249,969)	(14,423,362)	(16,243,668)	(13,220,204)
Issuance of general obligation debt	1,700,000	21,035,000	2,155,000	3,795,000	4,335,000	4,920,000	6,560,000	14,447,412	7,020,000	6,135,000
Issuance of refunding bonds	2,570,000	-	-	-	-	-	-	-	14,880,000	-
Net premium on issuance of debt	30,885	152,954	12,578	37,539	6,720	-	-	73,784	1,902,105	143,463
Payment to refunding bond escrow agent	(2,707,037)	-	-	-	-	-	-	-	(15,607,538)	-
Sale of property	1,408,850	2,638	365,033	-	-	-	3,700	10,400	-	32,067
Total other financing sources (uses)	<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>	<u>13,230,963</u>	<u>7,000,443</u>	<u>5,404,431</u>
Net change in fund balances	<u>\$ 3,951,651</u>	<u>\$ 19,318,832</u>	<u>\$ (12,593,834)</u>	<u>\$ 1,138,217</u>	<u>\$ 4,229,885</u>	<u>\$ 5,342,373</u>	<u>\$ 1,867,819</u>	<u>\$ (2,550,468)</u>	<u>\$ 2,928,878</u>	<u>\$ 183,450</u>
Capitalized expenditures	\$ 3,635,014	\$ 10,010,427	\$ 14,065,117	\$ 6,201,900	\$ 6,269,347	\$ 7,112,732	\$ 5,762,786	\$ 7,892,151	\$ 8,756,298	\$ 7,000,061
Debt Service as a percent of noncapital expenditures (a)	2.88%	3.59%	4.46%	5.12%	5.40%	5.69%	5.30%	11.76%	7.02%	6.66%

Notes:

(a) Calculation excludes refunding debt payments.

COUNTY OF RACINE, WISCONSIN
TABLE 5 - EQUALIZED VALUE OF TAXABLE PROPERTY
For the fiscal years ended December 31, 2005 through 2014

Fiscal Year Ended	Real Estate				Personal Property	Total Taxable Equalized Value (EV) (a)	Total Tax Increment District (TID)	EV less TID (b)	County General Tax Levy (c)	Tax Rate (d)
	Residential	Commercial	Manufacturing	Other						
2005	\$ 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	\$ 41,504,237	\$ 3.23
2006	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	43,466,876	3.04
2007	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	45,132,541	3.00
2008	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	46,482,004	3.03
2009	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	47,592,924	3.13
2010	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	48,013,591	3.29
2011	11,400,424,500	2,608,668,400	418,792,500	307,351,400	306,179,600	15,041,416,400	623,167,550	14,418,248,850	48,013,591	3.33
2012	10,554,091,100	2,538,531,400	430,052,000	284,344,700	309,975,700	14,116,994,900	653,365,750	13,463,629,150	48,010,525	3.57
2013	10,095,309,600	2,299,275,100	460,183,100	289,807,700	294,273,900	13,438,849,400	595,397,150	12,843,452,250	48,010,526	3.74
2014	10,229,559,200	2,375,666,900	433,287,900	263,734,400	321,570,400	13,623,818,800	520,259,950	13,103,558,850	48,010,526	3.66

Source: State of Wisconsin Department of Revenue Equalization Division

Notes:

- (a) Due to varying assessment ratios to full market value used in municipalities, all underlying tax districts such as counties are required to use equalized value for levying property taxes. Equalized value, defined by State Statute, is the legal market value determined by the Wisconsin Department of Revenue Bureau of Property Tax. The equalized value determined as of January 1st is used to apportion the tax levied in November and collected in the subsequent year. This table reports the equalized value with the corresponding fiscal year in which the tax is collected.
- (b) Equalized Values are reduced by Tax Increment District value increments for apportioning the County levy.
- (c) Levy shown is the general countywide levy and excludes levies for county schools, bridge aids, and the library system. These levies were excluded since they apply to select municipalities within the County and are not county wide.

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

Taxpayer	2014			2005		
	Taxable Assessed		Percentage of	Taxable Assessed		Percentage of
	Value	Rank	Total County Taxable Assessed	Value	Rank	Total County Taxable Assessed
S.C. Johnson & Son, Inc.	\$ 53,360,600	1	0.42%	\$ 107,020,200	1	1.04%
Johnson Financial Group	27,630,900	5	0.22%			
Modine Manufacturing Co	21,326,300	6	0.17%			
Racine Joint Venture (Regency Mall)	50,019,900	3	0.39%	66,635,900	2	0.64%
Centerpoint Properties Trust	52,425,200	2	0.41%			
Continental 63 & 81 Fund LLC (Wal-Mart Stores)				21,091,500	6	0.20%
All Saints Health Care	33,318,900	4	0.26%	39,639,100	3	0.38%
CNH Global				33,735,000	4	0.33%
Aurora Medical Group				24,708,300	5	0.24%
Inland Southeast Mt. Pleasant (Village Center Mall)	16,442,200	8	0.13%	18,649,300	7	0.18%
Bombardier Motor Corp Of America				17,931,600	8	0.17%
High Ridge Improvements	16,400,000	9	0.13%	16,285,000	9	0.16%
American National Insurance f/k/a Shoemaker Prop.				16,248,100	10	0.16%
Mclane Foodservice Inc	15,377,600	10	0.12%			
Menard Inc	20,102,800	7	0.16%			
Totals	\$ 306,404,400		2.40%	\$ 361,944,000		3.50%
Total County Taxable Assessed Value	\$ 12,781,988,450			\$ 10,331,915,550		

Note:

Source: Racine County Treasurer's Office and City of Racine
County taxes are allocated based upon total equalized assessed value with tax incremental districts removed.

COUNTY OF RACINE, WISCONSIN
TABLE 7 - PROPERTY TAX LEVIES AND COLLECTIONS,
For the fiscal years ended December 31, 2005 through 2014

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
2004	2005	\$ 251,899,220	\$ 248,228,565	98.54%	\$ 3,659,952	\$ 251,888,517	100.00%
2005	2006	256,705,260	253,017,402	98.56%	3,669,304	256,686,706	99.99%
2006	2007	277,621,142	272,518,975	98.16%	5,041,735	277,560,710	99.98%
2007	2008	290,222,257	283,893,148	97.82%	6,161,318	290,054,466	99.94%
2008	2009	305,393,464	298,193,484	97.64%	6,862,510	305,055,994	99.89%
2009	2010	318,063,935	310,315,192	97.56%	7,120,998	317,436,189	99.80%
2010	2011	322,502,719	315,464,185	97.82%	5,938,546	321,402,731	99.66%
2011	2012	329,272,692	321,913,844	97.77%	5,103,549	327,017,393	99.32%
2012	2013	338,189,017	331,065,682	97.89%	3,095,226	334,160,908	98.81%
2013	2014	319,199,884	312,628,530	97.94%	-	312,628,530	97.94%

Source: Racine County Treasurer's Office

Notes:

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

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

COUNTY OF RACINE, WISCONSIN
TABLE 8 - PROPERTY TAX RATES
For the fiscal years ended December 31, 2005 through 2014
(rates per \$1,000 of equalized value)

	2014 Equalized Value (f)	Levy Year									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County direct rates											
General	\$ 13,103,558,850	\$ 3.23	\$ 3.04	\$ 3.00	\$ 3.03	\$ 3.13	\$ 3.29	\$ 3.33	\$ 3.57	\$ 3.74	\$ 3.66
County Schools (a)	4,601,770,453	1.64	0.17	0.20	0.20	0.15	0.14	0.14	0.15	0.25	0.24
Bridge Aids (b)	3,396,790,300	0.01	-	-	0.02	0.01	-	0.01	0.03	-	-
Lakeshore Library (c)	8,288,793,700	0.26	0.24	0.23	0.22	0.22	0.24	0.24	0.27	0.27	0.26
Total County direct rates		5.14	3.45	3.43	3.47	3.51	3.67	3.72	4.00	4.25	4.17
Overlapping rates (g)											
Cities:											
Burlington (d)	\$ 637,462,800	\$ 22.85	\$ 18.97	\$ 20.54	\$ 20.56	\$ 20.58	\$ 20.95	\$ 21.77	\$ 21.80	\$ 24.09	\$ 22.97
Racine	3,149,485,850	22.26	21.27	21.11	21.96	22.80	23.84	25.47	28.47	29.13	29.14
Towns:											
Burlington	\$ 620,480,000	\$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	\$16.79-17.74	\$17.29-18.18	\$16.59-17.49
Dover	321,999,200	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	16.89-19.71	16.96-20.06	16.00-18.03
Norway	788,026,700	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	14.87-17.28	14.93-17.69	14.82-17.92
Raymond	443,875,700	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	17.97-18.70	18.62-19.75	17.90-18.43
Rochester (e)	n/a	14.49-16.97	13.81-16.68	13.90-15.78	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Waterford	723,806,800	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	18.07-18.67	18.06-18.70	17.74-18.30
Yorkville	498,601,900	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	18.21-20.19	18.41-19.41	17.56-18.69
Villages:											
Caledonia	\$ 1,958,340,900	\$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	\$20.17-21.65	\$19.99-20.86	\$18.94-19.75
Elmwood Park	35,755,900	15.00	14.33	14.07	14.79	15.74	16.08	16.11	17.29	19.54	18.60
Mount Pleasant	2,310,885,700	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	21.98-22.33	21.16	20.23
North Bay	34,684,900	16.59	15.81	14.50	17.43	17.43	21.83	22.04	23.38	20.99	19.83
Rochester	352,204,300	15.87	15.73	15.71	13.48-15.44	14.14-16.56	15.14-17.61	15.40-17.79	15.97-18.67	17.15-19.52	16.52-18.89
Sturtevant	322,083,600	18.18	17.52	17.40	17.99	18.82	20.82	21.08	23.16	22.74	21.82
Union Grove	286,150,900	19.11	20.14	19.00	19.33	20.16	21.88	21.53	23.63	23.67	22.72
Waterford	389,461,300	19.63	19.65	19.51	19.73	21.40	21.46	21.76	21.89	21.95	21.26
Wind Point	230,252,400	15.03	14.41	13.84	14.30	15.24	16.32	16.98	17.05	16.38	15.62

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 values are determined by the Wisconsin Department of Revenue Bureau of Property Tax and exclude tax increment districts.
- (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, 2005 through 2014

Fiscal Year	Equalized Valuation (a)	Governmental Activities				Business-type Activities		Total General Obligation Debt	Percent of Debt to Equalized Valuation	Percent of Debt to Personal Income (b)	Debt Per Capita (b)
		Tax Exempt General Obligation Notes	Tax Exempt General Obligation Bonds	State Trust Fund Loans	Taxable General Obligation Bonds	Tax Exempt General Obligation Bonds	Tax Exempt General Obligation Notes				
2005	\$ 13,298,078,200	\$ 17,401,517	\$ -	\$ 152,517	\$ 10,120,000	\$ 4,285,000	\$ 2,043,483	\$ 34,002,517	0.26%	0.54%	\$ 175.96
2006	14,830,365,800	16,847,288	18,970,000	136,255	9,985,000	4,050,000	1,857,712	51,846,255	0.35%	0.78%	266.45 (c)
2007	15,659,760,100	16,493,060	18,445,000	119,261	9,815,000	3,805,000	1,671,941	50,349,262	0.32%	0.72%	258.05
2008	15,992,707,300	17,504,637	17,920,000	101,515	9,605,000	3,550,000	1,480,364	50,161,516	0.31%	0.69%	255.51
2009	15,912,047,700	18,644,116	17,395,000	82,958	9,355,000	3,285,000	1,285,885	50,047,959	0.31%	0.69%	254.85
2010	15,228,632,600	16,870,000	16,870,000	63,566	9,055,000	3,010,000	2,725,000	48,593,566	0.32%	0.66%	248.68
2011	15,041,416,400	23,324,198	16,115,000	43,301	8,705,000	1,082,697	870,800	50,140,996	0.33%	0.67%	256.84
2012	14,116,994,900	34,594,499	15,330,000	-	-	7,430,000	635,501	57,990,000	0.41%	0.73%	296.80 (c)
2013	13,438,849,400	34,732,986	17,530,000	-	-	6,905,000	552,014	59,720,000	0.44%	0.74%	305.98
2014	13,623,818,800	36,406,785	16,400,000	-	-	6,365,000	468,215	59,640,000	0.44%	*	305.12

Notes:

- (a) Value as reduced by tax incremental financing districts
- (b) Calculated using population and personal income data found in table 12.
- (c) Increases due to issuance of debt for jail expansion project in 2006 and marina acquisition in 2012.
- * Information not yet available

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

COUNTY OF RACINE, WISCONSIN
TABLE 10 - RATIOS OF GENERAL BONDED DEBT
For the fiscal years ended December 31, 2005 through 2014

Fiscal Year	Total General Bonded Debt (Table 9)	Reserved Funds for Debt Service (a)	Net General Bonded Debt	Total Taxable Equalized Value (Table 5)	Net General Bonded Debt to Equalized Property Value	Population (Table 12)	Net General Bonded Debt Per Capita
2005	\$ 34,002,517	\$ 827,195	\$ 33,175,322	\$ 13,298,078,200	0.25%	193,239	\$ 171.68
2006	51,846,255	694,569	51,151,686	14,830,365,800	0.34%	194,580	262.88
2007	50,349,262	702,099	49,647,163	15,659,760,100	0.32%	195,113	254.45
2008	50,161,516	528,930	49,632,586	15,992,707,300	0.31%	196,321	252.81
2009	50,047,959	682,567	49,365,392	15,912,047,700	0.31%	196,380	251.38
2010	48,593,566	361,848	48,231,718	15,228,632,600	0.32%	195,408	246.83
2011	50,140,996	193,570	49,947,426	15,041,416,400	0.33%	195,225	255.85
2012	57,990,000	66,024	57,923,976	14,116,994,900	0.41%	195,386	296.46
2013	59,720,000	1,125,099	58,594,901	13,438,849,400	0.44%	195,174	300.22
2014	59,640,000	209,568	59,430,432	13,623,818,800	0.44%	195,461	304.05

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

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, 2005 through 2014
(dollars in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Equalized Value of Taxable Property (a)	\$ 13,298,078	\$ 14,830,366	\$ 15,659,760	\$ 15,992,707	\$ 15,912,048	\$ 15,228,633	\$ 15,041,416	\$ 14,116,995	\$ 13,438,849	\$ 13,623,819
Wisconsin Statutory Debt Limit (b)	\$ 664,904	\$ 741,518	\$ 782,988	\$ 799,635	\$ 795,602	\$ 761,432	\$ 752,071	\$ 705,850	\$ 671,942	\$ 681,191
Debt Applicable to Limit:										
General Obligation Debt (c)	\$ 34,003	\$ 51,846	\$ 50,349	\$ 50,162	\$ 50,048	\$ 48,594	\$ 50,141	\$ 57,990	\$ 59,720	\$ 59,640
Less Debt Service Funds (d)	(827)	(695)	(702)	(529)	(683)	(362)	(194)	(66)	(1,125)	(210)
Total net debt applicable to limit	\$ 33,176	\$ 51,151	\$ 49,647	\$ 49,633	\$ 49,365	\$ 48,232	\$ 49,947	\$ 57,924	\$ 58,595	\$ 59,430
Legal Debt Margin	\$ 631,728	\$ 690,367	\$ 733,341	\$ 750,002	\$ 746,237	\$ 713,200	\$ 702,124	\$ 647,926	\$ 613,347	\$ 621,761
Debt Capacity Used	5.0%	6.9%	6.3%	6.2%	6.2%	6.3%	6.6%	8.2%	8.7%	8.7%

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 County's unfunded pension liability to the Wisconsin Retirement System (debt was issued at a rate lower than the 8% rate being paid to WRS). In 2006, the County issued an additional \$18.97 million to fund the jail expansion and in 2012, the County issued \$5 million to fund the acquisition of the marina.

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

COUNTY OF RACINE
TABLE 12 - DEMOGRAPHIC AND ECONOMIC STATISTICS
For the fiscal years ended December 31, 2005 through 2014

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
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	3,617	10.0%	8.3%
2011	195,225	38,425	7,501,520,625	21,100	4,829	8.9%	7.5%
2012	195,386	40,510	7,915,086,860	30,524	4,866	8.4%	6.6%
2013	195,174	41,458	8,091,523,692	30,105	5,241	7.6%	5.8%
2014	195,461	*	*	*	5,437	6.3%	5.0%

* Information not available

Sources:

- (a) Wisconsin Department of Administration Population & Housing Estimates (2001-2009) and U.S. Census Bureau (2010-2011)
- (b) Wisconsin Department of Workforce Development, Office of Economic Advisors
- (c) Wisconsin Department of Public Instruction- Prior to 2012, only Racine Unified listed (due to report sorting options)
- (d) Wisconsin Department of Workforce Development, Office of Economic Advisors - Estimates

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

<u>Employer</u>	<u>2014</u>		<u>2005</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+	2	1000+	1
S C Johnson & Son Inc.	1000+	1	1000+	2
CNH America LLC (formerly Case Corp.)	1000+	3	1000+	3
City of Racine	1000+	4		
Wal-Mart Associates, Inc.	500-999		500-999	5
Emerson Electric Co	500-999	5	1000+	4
County of Racine	500-999	6		
Aurora Health Care of Southern Lake	500-999	8		
Georgia Auction Service, Inc.			500-999	9
Modine Mfg Co			500-999	6
Bombardier Motor Corp. of America			500-999	7
Johnson Diversy, Inc			500-999	8
Adecco USA Inc			500-999	10
Ruud Lighting Inc	500-999	7		
Department of Health Services	500-999	9		
BRP US 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, 2005 through 2014

Function / Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government:										
Building & Facilities Management Division	14.00	13.00	12.00	12.00	12.32	12.38	12.38	13.00	13.00	13.00
Clerk of Circuit Court Office	36.00	40.00	39.00	39.00	40.00	40.00	38.63	33.50	30.75	29.75
Corporation Counsel	5.60	5.60	5.30	5.30	5.30	5.20	5.10	5.10	5.10	5.10
County Board	23.50	23.50	23.50	23.50	23.50	23.50	23.00	21.00	21.00	21.00
County Clerk	3.50	3.50	3.50	3.50	3.50	3.50	4.00	4.25	4.25	4.25
County Executive	2.25	2.25	2.25	2.25	2.18	2.18	2.18	2.18	2.18	2.18
County Treasurer	4.50	4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00	5.00
District Attorney's Office	11.00	10.00	10.70	10.70	10.90	10.05	10.05	9.65	9.65	8.80
Finance Department (d)	10.00	12.50	12.50	12.75	10.03	9.38	11.83	11.90	12.90	12.90
Human Resources Department	7.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Information Systems Department	8.00	8.00	8.00	6.00	6.00	6.00	7.00	7.00	6.00	6.00
Land Information Office	1.60	1.60	1.80	2.60	0.25	0.25	0.32	0.25	0.25	0.25
Medical Examiner Office	2.08	2.08	2.08	2.08	1.83	1.83	1.83	1.08	1.08	1.08
Print & Mail Division	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Real Property Lister Division (f)	2.50	2.44	2.44	2.44	2.44	2.44	2.44	2.44	-	-
Register of Deeds	6.50	6.44	6.44	6.44	6.44	5.44	5.44	5.44	7.00	7.00
UW - Extension	2.00	2.00	0.70	-	-	-	-	-	-	-
Veterans Service Office	1.50	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Victim Witness Office	7.50	6.50	6.45	6.45	6.45	6.45	7.33	7.33	6.00	6.00
Public Safety:										
Communications / Dispatch (c)	47.00	47.00	19.00	20.00	19.00	19.00	51.00	51.00	51.00	51.00
Emergency Management Office	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.18	1.18	1.18
Jail and Jail Alternatives	114.00	114.00	123.00	123.00	116.08	106.08	106.08	102.08	96.08	96.08
Sheriff's Office	132.70	119.70	119.65	120.65	121.43	117.15	120.70	119.00	120.00	122.00
Health and Social Services:										
Child Support Division	38.00	36.50	32.30	29.30	28.30	28.28	28.25	28.25	23.50	21.50
Family Court Commissioner (e)	6.00	5.00	5.00	5.00	5.00	5.00	-	-	-	-
Human Services Division	211.50	205.00	199.50	196.50	196.50	182.00	182.00	168.50	160.30	160.10
Ridgewood Care Center	157.53	149.33	148.90	149.90	149.08	148.08	148.08	144.68	158.28	162.48
Education and Recreation:										
County Schools Office (b)	188.80	-	-	-	-	-	-	-	-	-
Parks Division (a)	28.90	29.30	28.90	27.57	27.57	14.65	14.65	8.92	10.17	10.31
Development:										
Land Conservation Division	3.00	3.50	3.50	3.50	3.50	3.50	3.50	2.70	2.25	2.00
Planning and Development	9.40	8.90	8.70	7.90	6.25	6.25	6.18	5.60	5.99	5.59
Highways and Streets (a)	73.90	73.41	71.27	71.54	72.54	66.48	66.48	60.73	57.54	54.39
	<u>1,163.13</u>	<u>946.41</u>	<u>912.25</u>	<u>904.74</u>	<u>891.74</u>	<u>840.41</u>	<u>873.78</u>	<u>830.72</u>	<u>819.42</u>	<u>817.91</u>

Notes:

Source - County's annual budget report

- (a) Includes Seasonal FTE's
- (b) The County discontinued County School operations as of June 30, 2006.
- (c) Communications department was created in 2011 to manage the County's joint dispatch operations.
- (d) Finance Department includes Purchasing which was a separate department through 2008.
- (e) In 2011, Family Court Commissioner ceased to exist as a separate unit and was combined into the Clerk of Courts.
- (f) In 2013, Register of Deeds and Real Property Lister Division combined.

COUNTY OF RACINE, WISCONSIN
TABLE 15 - OPERATING INDICATORS BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2005 through 2014

Function / Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety - Sheriff										
Calls for Service (a)	64,839	59,372	57,376	49,761	49,116	55,999	55,220	72,156	75,442	78,417
Arrests (d)	25,685	21,486	21,985	20,804	22,145	29,118	31,085	37,233	32,067	29,100
Sworn Personnel	180	167	165	150	141	134	136	136	136	137
Average Daily Jail Population	671	683	723	788	790	702	688	675	684	674
Jail Bookings	10,829	11,650	11,624	11,118	10,642	9,710	9,676	9,285	9,154	9,047
Health and Social services - Human Service										
Economic Support Services										
Unduplicated Caseload (b)	12,529	12,828	13,851	15,997	16,027	15,308	17,942	22,157	24,716	26,284
Youth Apprehended (c)	1,050	891	799	720	630	1,224	1,350	1,230	1,134	1,031
Mental Health Inpatient Days	3,929	3,577	3,914	4,059	4,135	4,239	3,527	3,366	3,769	2,904
WDC Job Center of Wisconsin listings	9,768	7,808	8,555	2,870	1,527	4,107	4,089	4,602	5,747	6,685
Ridgewood Healthcare Center										
Admissions	373	341	334	476	425	474	449	473	483	396
Discharges	372	354	346	478	420	485	448	447	484	349
Education and Recreation - Parks (estimated)										
Daily Cliffside Park Camping Nights	5,208	5,874	6,603	6,918	5,880	4,533	4,930	4,941	5,585	5,887
Daily Fischer & Quarry Lake Entrance	32,513	25,950	24,970	20,225	17,842	23,444	22,563	24,805	24,628	20,663
Daily Fischer & Eagle Boat Launches	8,191	6,584	6,464	6,449	4,598	5,055	4,562	4,981	4,851	5,454
Highways and Streets - Lane Miles Maintained										
County	330	330	340	340	340	340	340	340	338	338
State	685	685	600	677	677	677	677	677	684	698

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

Notes:

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

COUNTY OF RACINE, WISCONSIN
TABLE 16 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
For the fiscal years ended December 31, 2005 through 2014

Function / Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Sheriff Patrol Units	25	25	25	25	27	27	28	28	28	28
Sheriff Stations	2	2	2	2	2	2	2	2	2	2
Jail Beds (a)	650	650	860	876	876	876	876	876	876	876
Health and social services										
Licensed Beds at Ridgewood Healthcare Center	210	210	210	210	210	210	210	200	200	200
Education and recreation (b)										
Park Acreage:										
Harbor / Marina	127	127	127	127	127	127	127	127	127	127
Fox River Parkway	115	115	115	117	117	117	117	117	117	117
Root River Parkway	669	665	655	655	655	655	676	676	676	694
All Other Park Land	1,400	1,400	1,405	1,405	1,405	1,408	1,408	1,484	1,484	1,484
Bike Trail Miles	34	34	34	34	37	37	37	37	37	37
Golf Acreage	427	427	427	427	427	427	427	427	427	427
Highways and streets										
Vehicles and Pieces of Equipment	700	700	672	623	620	576	578	549	548	548
Centerline Miles of County Roads	330	330	165	170	170	170	170	170	164	164
Bridges	16	16	16	16	16	16	16	16	21	21
Dams	6	6	6	6	6	6	6	6	6	6
Car Pool Fleet (Administered by PW)	12	12	12	12	12	11	10	12	13	13

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

Notes:

- (a) Increase of jail beds in 2007 is due to the jail expansion project that was completed during 2007.
- (b) In 2013, all year's recorded amounts have been updated due to change of format and source document.